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SYLPH
TECHNOLOGIES LIMITED

CERTIFIED TRUE COPY
For SYLPH Technologies Ltd.


Auth. Signatory.

16TH
ANNUAL REPORT
2007 - 2008

ANNUAL REPORT 2007 - 2008**BOARD OF DIRECTORS**

1. S. L. JAIN
2. R. K. JAIN
3. K. K. BHANDARI
4. V. SHRIVASTAVA

BANKERS

IDBI BANK LTD.

AUDITORS

M. S. DAHIYA & CO.
CHARTERED ACCOUNTANTS

REGISTERED OFFICE

St-4, Press House,
22, Press Complex A. B. Road,
INDORE - (M. P.) INDIA - 452 008
Tel. 91-731-4072754

REGISTRAS & TRANSFER AGENTS

Ankit Consultancy Pvt. Ltd.
Alankar Point
Geeta Bhavan Square, INDORE
Tel. : 91-731-2491298

SYLPH TECHNOLOGIES LIMITED**Annual Report****NOTICE**

NOTICE is hereby given that the Sixteenth Annual general meeting of SYLPH TECHNOLOGIES LIMITED is scheduled to be held on Friday 28th November 2008 at 11:00 A.M. at 22, Press Complex, Scheme No.54, A.B. Road, Indore -452008 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited profit & loss account for the year ended 30th June 2008 and the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Kamal Kumar Bhandari who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M.S. Dahiya & Co. Indore as Auditors to hold the office till the conclusion of the next Annual General Meeting and to fix their Remuneration.

SPECIAL BUSINESS

4. To consider & if thought fit to pass with or without modification (s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Vineet Shrivastava who was appointed as an Additional Director on 17th March 2008, and who holds office upto the date of this annual general Meeting, and in respect of whom notice under Section 257 of the companies act, 1956 has been received from one of the members signifying intention to propose Mr. Vineet Shrivastava as a candidate for the office of the Director of the Company be and is hereby appointed as Director of the Company.

PLACE : INDORE
DATE : 23.10.2008

by order of the board of directors

(S. L. Jain)
Chairman

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.
2. Members are requested to notify to the company, change, if any, in their registered addresses.
3. Members/Proxies are requested to bring the attendance slip with them.
4. Proxies in order to be effective should reach the Registered office of the company 48 hours before the commencement of the meeting.
5. The register of Members and Share Transfer book of the company will remain closed from 27th October 2008 till 25th November 2008 (both Days Inclusive).

by order of the board of directors

PLACE : INDORE
DATE : 23.10.2008

(S. L. Jain)
Chairman

SYLPH TECHNOLOGIES LIMITED**Annual Report****DIRECTORS' REPORT**

To,
The Members,
SYLPH TECHNOLOGIES LIMITED

Your Directors are delighted to present their 16th Annual Report along with the Audited Accounts for the financial year ended 30th June 2008.

Financial Performance :

Year ended June 30,	2008	2007
Income from Operations		
- From Software Job work Domestic	4334000.00	10935000.00
Exports	3797569.00	-
Other Income	157129.00	52760.00
Total Income from Operations	8288698.23	10987760.00
Profit before Depreciation & Tax	-5707947.00	5330618.00
Less: Depreciation	10320.00	0.00
Profit before taxation	-5718267.05	5330618.00
Less: Provision for Taxation		
Current Tax	-	1100000.00
MAT Credit Entitlement	-	0.00
Fringe Benefit Tax	3390.00	0.00
Net Profit after tax	-5714877.05	4230618.00
Previous Year Adjustment	1100000.00	37751000.00
Add: Balance b/f from previous year	1124043.52	- 40857574.48
Balance available for appropriation	-3497613.53	41981618.00
Appropriation		
Transfer to/(from) General Reserve	-	-
Interim dividend	-	-
Proposed final Dividend	-	-
Dividend for previous year	-	-
Tax on Dividends	-	-
Balance carried to Balance Sheet	-3497613.53	41981618.00

Results of Operations**a) Operations**

Your Company has recorded a total income of Rs. 81.31 lacs in 2008 from Software and Information Technology Business and last year income from Software Development was Rs. 109.35 lacs. The net loss after tax is Rs. 46.21 lacs in 2008 again profit of Rs. 419.82 lacs the previous year.

RESERVES

During the year the company has not proposes to transfer to the General Reserve.

DIVIDEND

The Directors of the Company are not recommending any dividend looking to the loss in the Company

BUSINESS

The Company has started Information Technology Business and has started earning profit. The company has also started export of Software during the year. The Company expects a good business in coming years.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

The Company has been proactive in following the principles and practices of good governance. The Company has taken adequate steps to ensure that the condition of corporate governance as stipulated in Clause 49 of the Listing agreements of the Stock Exchange is complied with.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors hereby state and confirm that :

- (i) In the preparation of the annual accounts, the applicable accounting Standards have been followed along with proper explanation relating to Material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at June 2008 and of the Profit and Loss Account for the Year ended June 30, 2008.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting standards in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year. The Company does not have any Fixed Deposits with it since inception.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Particulars with regards to conservation of energy etc, as required under Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are not applicable as the Company is not a manufacturing Company.

The foreign exchange earning and expenditure of the Company is as follows

- | | |
|----------------------------------|-----------------|
| (1) Earning Foreign Exchange | US \$ 1.08 lacs |
| (2) Expenses in Foreign Exchange | Nil |

DIRECTORS

Shri K.K Bhandari director of the Company retires by rotation and being eligible offer himself for re-election. Mr. Vineet Shrivastav additional Director of the Company is Re-appointed as regular director.

AUDITORS

M/s M.S. Dahiya and Company Chartered Accountant as Auditor has been reappointed to hold office until the conclusion of next Annual General Meeting. The Company has received certificate from to the effect that their appointment, if made, would be within the prescribed limit under section 224(1-B) of the Companies Act, 1956. The notes on Accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments.

PARTICULARS OF EMPLOYEES

The particulars of employees, required to be furnished under section 217(2A) of the companies Act 1956 read with companies (Particulars of Employees), Rules 1975 as amended, there are no employees covered by the said Rules.

ACKNOWLEDGEMENT

The Directors place on record their sincere appreciation for the encouragement, co-operation and support receive by the Company from the local authorities, banks, customers, suppliers, and business their sincere appreciation of the valuable services rendered by the employees of the Company at all levels

For & on Behalf of Board of Directors

DATE: 23/10/2008

PLACE: INDORE

Director-

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance, for the year July 1 2007 to June 30 2008 as per the format prescribed by and the incorporated in Clause 49 of the Listing Agreement is set out below:

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :-

The Company strongly believes that good Corporate Governance is a pre-requisite for enhancing share holders long term value. The Board considers itself as the trustee of its Shareholders. During the period under review the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plan, major risks and ensuring that the Company pursues policies and procedure to satisfy its social, legal and ethical responsibilities.

B. BOARD OF DIRECTORS**(i) Composition and category of Directors**

S. No.	Name of Director	Category	Directorship	Number of Other Committee Members	Committee Chairmanship
1.	Rajesh Jain	Professional /Directors	1	2	-
2.	K. K. Bhandari	Independent Director	1	2	1
3.	S.L Jain	Promoter	1	1	-
4.	Vineet Shrivastava	Independent Directors	2	2	-

(ii) Attendance of each Director at the Board Meeting and the last Annual General Meeting:-

The Board of Directors provide the strategic direction and thrust to the operation of the company. During the period under review, 5 board meeting were held on 9th July 2007, 11th October 2007, 16th January 2008, 14th March 2008 and 30th April 2008. The fifteenth Annual General Meeting was held on 31st December 2007.

Attendance of each Director at Board Meeting and Annual General Meeting (AGM) was as follow

S. No.	Name of Director	No. of Board Meeting attended	Attendance at AGM held on 31-12-2007
1.	Rajesh Jain	5	Yes
2.	K.K Bhandari	5	Yes
3.	S.L Jain	5	Yes
4.	Vineet Shrivastava	2	NA

C. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 30th June, 2008

Directors are not paid any sitting fees or any remuneration for attending meeting of the Board of Directors and Committees thereof.

D. COMMITTEES OF THE BOARD :-

- (i) Audit Committee
- (ii) Shareholders/Investors grievance committee

The following Directors are members of the Audit Committee:-

1. K.K Bhandari
2. Rajesh jain
3. Vineet Shrivastava

All the members of the Committee are independent Directors except Mr. Rajesh Jain. The Statutory Auditors and Internal Auditors attend the meeting of the Committee.

The role, powers and function of the audit Committee are as stated in clause no.49 of the Listing Agreement and section 292A of the Companies Act, 1956 .The Committee reviews the financial statements before they are placed before the Board. The audit committee has been constituted on 28th March 2004 in compliance to clause no. 49 of the Listing Agreement. The Committee reviews the financial statement before they are placed before the Board. During the period under review five meeting of the committee were held i.e. 9th July 2007, 11th October 2007, 16th January 2008, 14th March 2008 and 30th April 2008.

- (ii) Share Holders / Investors Grievance Committee

The following Directors are members of the Shareholders Committee

S.No. Name of the Directors

1. Rajesh Jain
2. K.K Bhandari
3. V Shrivatava

Mr. Sachin Sarda is the Compliance Officer of the Company.

M/s Ankit Consultancy Private Limited is a Share Transfer Agent of the Company.

The Company shares are in D-Mat form. The company has signed up with CDSL & NSDL. The INE Number is INE706F01013.

E. GENERAL BODY MEETING :-

Particulars of the last Three Annual General Meeting (AGM) of the company have been held at the following places in the last three years:-

AGM	For the year	Venue	Date	Time
13th	30-09-2005	22, Press Complex, Indore	31-12-2005	11:00
14th	30-09-2006	22, Press Complex, Indore	31-12-2006	11:00
15th	30-06-2007	22, Press Complex, Indore	31-12-2007	11:00