

SINDU VALLEY TECHNOLOGIES LIMITED

ANNUAL REPORT

2006-2007

SINDHU VALLEY TECHNOLOGIES LTD.

DIRECTORS' REPORT

Your Directors hereby present their Annual Report on the working of the Company together with the audited statement of accounts for the year ended 31st March 2007

FINANCIAL RESULTS

	(Amount Rs.)	
	31.03.07	31.03.06
Profit/(Loss) before Depreciation & Tax	43664	93203
Less: Depreciation	559	4,944
Profit/(Loss) before Tax	43105	88259
Less: Provision for Tax	14679	13208
Provision for Deferred Tax	30	(-18076)
Profit/Loss after Tax	<u>28456</u>	<u>56975</u>

DIVIDEND

Your Directors have not recommended any dividend.

YEAR UNDER RETROSPECT

For the year under review, the Company has earned higher income of Rs.291917/- compared to the previous year's income of Rs. 307009/-. The Company also earned a pre-tax profit of Rs.43105/- as against profit of Rs. 88259/- in the last year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Directors hereby confirm that: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records 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;
- d) The annual accounts have been prepared on a going concern basis.

LISTING:

The Equity Capital of the Company is listed on The Stock Exchange, Mumbai. The Company has paid listing fees upto the period 2006-2007

CONSERVATION OF ENERGY, ETC.

Since the Company was not engaged in any manufacturing activity during the year under review, information as required under Section 217(1)(e) of the Companies Act, 1956 read with the relevant rules made there under are not furnished. The Company has not earned nor spent any foreign exchange during the year.

DIRECTORATE

To comply with the requirement of the Companies Act, 1956 Mr. Anand Raj Jain shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

EMPLOYEES

None of the employees of the Company was in receipt of a remuneration exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the relevant rules made there under.

AUDITORS

Sanklecha & Co., Chartered Accountants, auditors of the Company, shall retire at the forthcoming Annual General Meeting. Members are requested to appoint auditors and fix their remuneration.

For & on behalf of the Board


(U.C. SHUKLA)
CHAIRMAN

Date: 30/07/2007
Place: MUMBAI

SANKLECHA & CO.
CHARTERED ACCOUNTANTS

80/84, Dadiseth Agyari Lane,
Office No.44,3rd Floor , Kalbadevi ,
Mumbai- 400 002.
Tel. : (O) 2201 1839

AUDITORS' REPORT

To The Members of M/s SINDU VALLEY TECHNOLOGIES.LTD

We have audited the attached Balance sheet of SINDU VALLEY TECHNOLOGIES.LTD. as at 31st March 2007 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of Companies Act, 1956, we give in the Annexure, a Statement on the matter specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, the company has kept proper books of accounts as required by law so far as appears from our examination of those books.
- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account and returns.
- (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31st March 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2006 from being appointed as a director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (a) in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2007 and
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Sanklecha & Co.
Chartered Accountants


(Vipin Sanklecha)
Partner

Membership No. 101710
Place: - MUMBAI
Date: 30/07/2007



ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 3 of our report of even date on the Accounts for the year ended 31st March 2007 of SINDU VALLEY TECHNOLOGIES. LTD.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
- (b) All the assets have been physically verified by the Management during the year. No material discrepancies were noticed on such verification.
- © During the year, fixed assets of the company having the effect on going concern has not been disposed off.
- (ii) The clause related to inventory is not applicable to the company
- (iii) (a) The Company had taken interest free unsecured loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956 which is not prejudicial to the interest of the company. The Total numbers of parties are six and the aggregate maximum amount involved Rs. 125458/- and outstanding balances in these transactions is Rs. 125458/-. The company has not given loans & advances to parties covered in the register maintained under section 301 of the Companies Act, 1956. The company had taken loans from directors.
- (b) In our opinion, the rate of interest and other terms and condition on which loans have been taken from to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts as stipulated and has regular in the payment of interest.
- (d) There is no overdue amount of loans taken from to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956. Hence clause (b) is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted the deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The company is not covered under section 209(1)(d) of the Companies Act, 1956 in respect of maintenance of cost records.
- (ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.3.2007 for a period of more than six months from the date they became payable.



- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has earned cash profit during the financial year covered by our audit and profit immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not taken any loans from a financial institution bank or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures & other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not raised term loans during the year under audit.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- (xx) The Company has not raised any money from a public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of the audit.

For Sanklecha & Co.
Chartered Accountants

V. Sanklecha
(Vipin Sanklecha)
Partner
Membership No. 101710
Place:- MUMBAI
Date:-30/07/2007



SINDU VALLEY TECHNOLOGIES LTD.
BALANCE SHEET AS AT 31.3.2007

PARTICULARS	SCH	As at 31.03.2007 (Rs.)	As at 31.03.2006 (Rs.)
I. SOURCES OF FUND			
SHAREHOLDERS' FUNDS			
Share Capital	1	7000000	7000000
Unsecured Loan	2	125458	125458
Deferred Tax Liability			30
TOTAL		7125458	7125488
II. APPLICATION OF FUND			
FIXED ASSETS(GROSS BLOCK)	3	30500	30500
Less:Depreciation		30500	29941
Net Block		0	559
INVESTMENT	4	250000	250000
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	5	251027	252944
Cash & Bank Balance	6	21384	9740
Loan & Advances	7	2881188	2870918
		3153599	3133602
Less - Current Liabilities & Provisions	8	2560224	2572112
NET CURRENT ASSETS		593375	561490
MISCELLANEOUS EXPENDITURE (To the extent not written off)	9	0	2900
PROFIT & LOSS ACCOUNT		6282083	6310539
TOTAL		7125458	7125488

Significant Accounting policies
& Notes on Accounts

12

As per our report of even date

For Sanklecha & Co.
Chartered Accountants

V. Sanklecha
(Vipin Sanklecha)
Partner



Place:- Mumbai
Date - 30/07/2007

For & on behalf of the Board

SINDU VALLEY TECHNOLOGIES LTD.

Anand Raj Jain
(Anand Raj Jain)
Director.

Upendra Shukla
(Upendra Shukla)
Director.



SINDU VALLEY TECHNOLOGIES LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2007

PARTICULARS	SCH	For the year 31.03.2007 (Rs.)	For the year 31.03.2006 (Rs.)
<u>INCOME</u>			
Income from I. T. Activities		0	267978
Commission		265947	0
Interest on Loan		25150	38420
Interest on I.T Refund		820	611
Total Income		291917	307009
<u>EXPENDITURE</u>			
Personnel Expenses	10		
Operating & other expenses	11	248253	213806
Depreciation		559	4944
Total Expenses		248812	218750
Profit (Loss) Before Taxation		43105	88259
Provision for taxation		14679	13208
Provision for Deferred Tax		30	-18076
Profit (Loss) after Taxation		28456	56975
Balance b/f from previous year		-6310539	-6367514
Balance Transferred to Balance Sheet		-6282083	-6310539
EPS Basic & Diluted			
Significant Accounting policies & Notes on Accounts	12		

As per our report of even date
For Sanklecha & Co.
Chartered Accountants

Vipin Sanklecha
(Vipin Sanklecha)

Partner

Place:- Mumbai
Date :- 30/07/2007



For & on behalf of the Board
SINDU VALLEY TECHNOLOGIES LTD.

Anand Raj Jain
(Anand Raj Jain)

Director.

Upendra Shukla
(Upendra Shukla)

Director.



SINDU VALLEY TECHNOLOGIES LTD.
 SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.3.2007
 SCHEDULE-6

	31.03.07 (RS.)	31.03.06 (RS.)
CASH & BANK BALANCE		
Cash on Hand	58	558
Current A/c. with Scheduled Bank	<u>21326</u>	<u>9182</u>
TOTAL	<u><u>21384</u></u>	<u><u>9740</u></u>

SCHEDULE-7

	31.03.07 (RS.)	31.03.06 (RS.)
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LOAN & ADVANCES		
Advances	2000000	2500000
Loans & Deposits	870500	345578
TDS Net of Provision	10688	25340
TOTAL	<u><u>2881188</u></u>	<u><u>2870918</u></u>

SCHEDULE-8

	31.03.07 (RS.)	31.03.06 (RS.)
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CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for Expenses	60224	72112
Advance	2500000	2500000
TOTAL	<u><u>2560224</u></u>	<u><u>2572112</u></u>

SCHEDULE- 9

	31.03.07 (RS.)	31.03.06 (RS.)
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MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)	2900	5800
Less:- 1/5 of Misc. Exps. W/off	<u>2900</u>	<u>2900</u>
TOTAL	<u><u>0</u></u>	<u><u>2900</u></u>

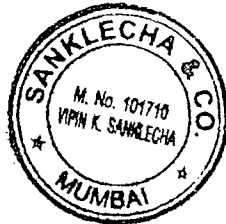


SCHEDULE-10

	31.03.2007 (RS.)	31.03.2006 (RS.)
PERSONNEL EXPENSES		
Salaries	0	0
Welfare Expenses	0	0
TOTAL	<u>0</u>	<u>0</u>

SCHEDULE-11**OPERATING & OTHER EXPENSES**

Manpower on Hire	95000	80818
Printing & Stationery	1500	948
Professional tax	1700	1700
Conveyance	32500	24924
Advertisement Expenses	11336	10560
Listing Fees	10035	10000
Professional & legal fee	49000	45450
Bank charges	170	274
Mis. Expenses	2000	0
Audit fee	5612	5612
Preliminary Exp. W/o	2900	2900
ROC Fees	1500	1500
Rent	35000	29120
TOTAL	<u>248253</u>	<u>213806</u>



SCHEDULE-12

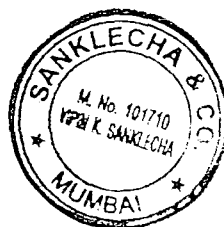
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

FOR THE YEAR ENDED 31.3.2007

1. SIGNIFICANT ACCOUNTING POLICIES: -

- a. **REVENUE RECOGNITION**
Sales of Services are recognised when the services are rendered.
- b. **FIXED ASSETS**
Fixed Asset is stated at cost less depreciation.
- c. **DEPRECIATION ON FIXED ASSETS**
Depreciation is provided on the straight-line method at the rates and in the manner prescribed in Scheduled XIV to the Companies Act.
- d. **INVESTMENTS: -**
Investments being long term are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such a decline is other than temporary in the opinion of the management.
- e. **MISCELLANEOUS EXPENDITURE**
Preliminary Exp. are amortised in equal installments over a period of Five years.
- f. **RETIREMENT BENEFITS**
Provision for retirement benefits is not made and accounted on payment basis.
- g. **TAXATION**
Income -tax expenses comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realisation.

2. The Company is engaged in the development of computer software, Data processing & Consultancy. The software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of part II of schedule VI of the companies Act, 1956.



3. Remuneration to the auditors :

	For the year ended 31.03.2007	For the year ended 31.03.2006
Audit fees	5618.00	5612.00

4. Remuneration to the Directors: NIL NIL

5. Earnings per Share

(As per Accounting Standard-20 "Earning Per Share issued by the council of "The Institute of Chartered Accountants of India")

	31.3.2007	31.03.2006
	Rs.	Rs.
A) Net Profit/(Loss) after tax	28456	56975
B) Add: Prior Period Expenses	---	
B) Net Profit/(Loss) after tax available for Equity shareholders	28456	56975
C) No. of Equity Shares	7,00,000	7,00,000
D) Basic & Diluted earnings per Share	0.041	0.08

6. During the year, the Company has accounted for Deferred Tax in accordance with the Accounting Standard AS-22 "Accounting for Taxes on Income" issued by the Council of the Institute of Chartered Accountants of India. Deferred Tax liability amounting to Rs. 30/- was at beginning of the year. Deferred Tax Liability for the Current year amounting to Rs.30/- has been transferred to Profit & Loss account. There is no Deferred tax asset/ liability at the end of the year.

The Deferred Tax Liability/(Asset) comprises of Tax effect of timing differences on account of:

	31.3.2007	31.3.2006
Deferred Tax Liability		
Fixed Assets' excess net block over written Down value as per the provisions of the Income Tax Act, 1961	NIL	30
	NIL	30
Deferred Tax Assets		
Unabsorbed Depreciation	NIL	NIL
Carried forward business Loss	NIL	NIL
Long term capital loss	NIL	NIL
	NIL	NIL
Net Deferred Tax Asset	NIL	-30



7. **Segment Reporting:**

The Company operates in Single Business Segment of "Single segment revenue i.e. I.T Activities" in domestic area only. Therefore the Company is of the opinion that the disclosure requirements of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable to the Company.

8. **Disclosure in respect of related parties pursuant to Accounting Standard AS-18: -**

i) **There are no related parties except the following: -**

Name of Related Party	Nature of Relationship
A) Anand Raj Jain (H.U.F.) (Karta)	Associates
B) Anand Jain	Director
C) Renu Jain	Relative
D) Upendra Shukla	Director
E) Sunila Shukla	Relative

ii) During the year under review following transaction were carried out with the related party in the ordinary course of business :-

Particulars	Director (Amt. Rs.)	Relatives (Amt. Rs.)	Associates (Amt. Rs.)
Total Receipt	---	----	----

iii) **Details of amount due to related parties are as under: -**

Unsecured Loans	48618	57840	19000
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9. **Contingent liabilities not provided for: - NIL**

As per our report of even date

For & on behalf of the Board

For Sanklecha & Co.
Chartered Accountants

V. Sanklecha

(Vipin Sanklecha)

Partner

Place: - MUMBAI

Date: 30/07/2007



SINDU VALLEY TECHNOLOGIES LTD.

A.R. Jain
(Anand Raj Jain)
Director

U.C. Shukla
(U.C. Shukla)
Director



SINDU VALLEY TECHNOLOGIES LTD.
CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2007

	Year ended 31.3.2007	Year ended 31.3.2006
A) <u>Cash Flow From Operating Activities</u>		
Net Profit after Tax as per P & L Account Adjusted for	28456	56975
Depreciation	559	4944
Miscellaneous Expenses written off	2900	2900
Operating profit before working capital Change Adjusted for	31915	64819
Trade & other receivable	-8353	-112858
Creditors and advance	-11888	12412
Deferred Tax Liability	-30	30
Cash Generated from operation	-20271	-100416
Net Cash from operating activities	<u>11644</u>	<u>-35597</u>
B) <u>Fund Flow from Investing activities</u>		
Purchase of Shares	0	0
Proceeds from sales of Shares	0	0
Net cash used in investing activities	<u>0</u>	<u>0</u>
C) <u>Funds from financing activities</u>		
Net Proceeds from borrowing	0	36000
Net cash used in financing activities	<u>0</u>	<u>36000</u>
Net increasing cash & cash equivalents(A+B+C)	<u>11644</u>	<u>403</u>
Opening Balance of cash & cash equivalents	9740	9337
Closing Balance of cash & cash equivalents	21384	9740
Net increase/(Decrease) as disclose above	<u>11644</u>	<u>403</u>

As per our report of even date

For Sanklecha & Co.
Chartered Accountants

V. Sanklecha
(Vipin Sanklecha)
Partner



Place:- Mumbai
Date :- 30/07/2007

For & on behalf of the Board

SINDU VALLEY TECHNOLOGIES LTD.

A.R. Jain
(Anand Raj Jain)
Director.

U.S. Shukla
(Upendra Shukla)
Director.

