



SYLPH
TECHNOLOGIES LIMITED

17TH
ANNUAL REPORT
2008 - 2009

ANNUAL REPORT 2008 - 2009

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**

REGISTRARS & TRANSFER AGENTS

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

DIRECTORS' REPORT

To,
 The Members,
SYLPH TECHNOLOGIES LIMITED

Your Directors are delighted to present their 17th Annual Report along with the Audited Accounts for the financial year ended 30th June 2009.

Financial Performance :

Year ended June 30,	2009	2008
Income from Operations		
Job work Charges	55,90,000.00	4334000.00
Sale of Software Exports	16,42,279.00	3797569.00
Sale of Software Domestic	2,43,000.00	-
Other Income	5,24,947.00	157129.00
Total Income from Operations	80,00,226.00	8288698.23
Profit before Depreciation & Tax	36,02,458.20	-5707947.00
Less: Depreciation	16,197.50	10320.00
Profit before taxation	35,86,260.70	(5718267.05)
Less: Provision for Taxation		
Current Tax	-	-
MAT Credit Entitlement	-	-
Fringe Benefit Tax	9500.00	3390.00
Net Profit after tax	3576760.70	-5714877.05
Previous Year Adjustment	—	1100000.00
Add: Balance b\f from previous year	(3497613.53)	1124043.52
Balance available for appropriation	79147.17	-3497613.53
Appropriation		
Transfer to/(from) General Reserve	-	-
Interim dividend	-	-
Proposed final Dividend	-	-
Dividend for previous year	-	-
Tax on Dividends	-	-
Balance carried to Balance Sheet	79147.17	-3497613.53

RESULTS OF OPERATIONS

Your Company has recorded a total income of Rs.74.75 lacs in 2009 from Software and Information Technology Business and last year income from Software Development was Rs.81.32 lacs. The Net Profit after tax is Rs.35.77 lacs in 2009 against the Loss of Rs.57.18 lacs in the previous year.

RESERVES

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

DIVIDEND

The Directors of the Company are not recommending any dividend looking to the nominal accumulated profit in the Company

BUSINESS

The Company is doing Information Technology Business and has started earning profit. The company has also started export of Software. 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 2009 and of the Profit and Loss Account for the Year ended June 30,2009.
- (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 \$ 0.39 lacs
2. Expenses in Foreign Exchange Nil

DIRECTORS

Shri S.L. Jain director of the Company retires by rotation and being eligible offer himself for re-election.

AUDITORS

M/s M.S. Dahiya and Company Chartered Accountants 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

S. L. Jain
Chairman

Date : August 10, 2009

Place : Indore

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance, for the year July 1 2008 to June 30 2009 as per the format prescribed by and incorporated in Clause 49 of the Listing Agreement is set out below:

A. COMPANYS 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 /Director	3	2	-
2.	K. K. Bhandari	Independent Director	1	2	1
3.	S.L. Jain	Promoter	1	1	-
4.	Vineet Shrivastava	Independent Director	1	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 31st July 2008, 27th September 2008, 23rd October 2008, 30th January 2009, 30th April 2009. The Sixteenth Annual General Meeting was held on 28th November 2008.

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
1.	Rajesh Jain	5	Yes
2.	K.K. Bhandari	5	Yes
3.	S.L. Jain	5	Yes
4.	Vineet Shrivastava	5	Yes

C. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING THE PERIOD ENDED ON 30th June,2009

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. Shareholder/Investors grievance committee

The following Directors are members of the Audit Committee:-

- 1. Rajesh Jain
- 2. K. K. Bhandari
- 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 four meeting of the committee were held i.e. 31st July 2008, 27th September 2008, 23rd October 2008, 30th January 2009, 30th April 2009 and all the directors were present in all the five meetings.

Share Holders / Investors Grievance Committee

The following Directors are members of the Shareholders Committee

S.No.	Name of Director
1.	Rajesh Jain
2.	K.K. Bhandari
3.	Vineet Shrivastava

Mr. Atul Chouhan 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 Numbers 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
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
16th	30-06-2008	22, Press Complex, Indore	28-11-2008	11:00

Postal Ballot

No Resolution were passed through postal ballot during the last financial year.

E. DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS

Pursuant to the provision of section 255 & 256 of the Companies Act, 1956, Mr. S.L. Jain retires by rotation at the forthcoming Annual General Meeting being eligible offers himself for re-appointment.

F. DISCLOSURES

- (i) There are no transactions of material natures with directors/Promoters or any related entity, which will have any potential conflict with the interest of the Company at large.
- (ii) There is no non-compliance by the company or any penalties, structures imposed by the stock exchange SEBI, or any statutory authorities on any matter related to capital markets, during the last three years/period.

H. MEANS OF COMMUNICATIONS :-

Financials Results

The quarterly unaudited financial results and annual audited financials results are normally published in Apni Dunia & Free Press.

I. GENERAL SHAREHOLDER INFORMATION

- (i) Annual General Meeting :
- Day, Date and Time : Monday, October 5, 2009, 11:30 a.m.
- Venue : 22, Press Complex, Indore
- (ii) Financial Calendar :
- Calendar of events for the year ended 30th June 2010.
- Audited results for the period ended 01-07-2009 : 30-06-2010

Quarter ending	Release of results
For the Quarter ending September 30, 2009	October 31, 2009
For the Quarter ending December 31, 2009	January 31, 2010
For the Quarter ending March 31, 2010	April 30, 2010
For the Quarter ending June 30, 2010	August 31, 2010

(iii) Date of book Closure :

The Company's Register of members and Share Transfer Books shall remain closed from 28th September 2009 to 3rd October 2009 (both days inclusive).

(iv) Share Transfer System :

M/s Ankit Consultancy Private Limited is a Share Transfer Agent. Documents for transfer of shares in physical form can be lodged with Ankit Consultancy Pvt. Ltd. at Indore. The transfers are processed within 10-15 days if the documents are complete in all respects.

(v) Investor Services – queries/ complaints during the period ended 01.07.2008 to 30.06.2009 queries/ complaints/ requests were received by the Company from the share holders and investors have been resolved.

(vi) Listing on Stock Exchange:

The Shares of the Company is listed on the Madhya Pradesh Stock Exchange at Indore & Bombay Stock Exchange at Mumbai.

BSE Code :- 511447

Stock Exchange:- The Stock Exchange Mumbai

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai-400001

Madhya Pradesh Stock Exchange

Palika Plaza, MTH Compound, Indore

(vii) (a) **Market Price data (At BSE)**

Month	Highest Rate	Lowest Rate
July	No Trading	No Trading
August	No Trading	No Trading
September	No Trading	No Trading
October	No Trading	No Trading
November	No Trading	No Trading
December	161.75	161.75
January	153.70	102.10
February	97.00	45.20
March	42.95	22.35
April	21.25	10.10
May	9.60	5.79
June	13.80	8.30

(b) **Madhya Pradesh Stock Exchange:**

Trading Platform at MPSE does not exist hence no trading is possible at MPSE.

(viii) **Distribution of Shares Holding (As on 30.06.2009)**

Rs.	Holding of Share	Shareholders Number	Shareholders% of total Holders	Number of Shares	Shares % of total capital
Upto	1000	1809	32.73	1809000	3.84
1001	2000	961	17.39	1921400	4.08
2001	3000	271	4.90	813000	1.73
3001	4000	279	5.05	1116000	2.37
4001	5000	872	15.78	4360000	9.26
5001	10000	798	14.44	7382000	15.67
10001	20000	309	5.59	5212000	11.06
20001	30000	96	1.74	2533000	5.38
30001	40000	35	0.63	1236000	2.62
40001	50000	26	0.47	1254600	2.66
50001	100000	50	0.90	3547000	7.53
100000	Above	21	0.38	15924000	33.80

(ix) **Dematerialization of Shares:-**

The company's shares are in D-Mat & Physical form.

(x) **Address for correspondence for Share holders:-**

Ankit Consultancy Private Limited
 Alankar Point , A.B. Road, Indore
 Telephone: 0731-2491298

J. CODE FOR PREVENTION OF INSIDER TRADING

In compliance with SEBI Regulations on prevention of insider trading, the company has adopted a code of conduct for its directors and designated employees. The code lays down guidelines which included procedures to be followed and disclosures to be made while dealing into shares of the company.

K. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- a) Industry Structure and Developments:
The Company is in information technology activity & trading of shares during the year Company pursued only information technology activities and company expects the software development to surge in India and in particular with respect to company.
- b) Segment-wise or product-wise performance
The company has only one business segment of Software development.
- c) Risk and Concerns
Software development is a risky business but the company is doing business diligently and does not expect any losses in the future.
- d) Internal Control System and their adequacy
The Company has an elaborate system of internal controls to ensure optimal utilization of company's resources and protections thereof, facilitating accurate and speedy compilation of accounts and management information reports and compliance with laws and regulations. The internal Auditors and Company's internal audit department conducts regular audits to ensure adequacy of internal control system, adherence to management instruction and compliance to the laws and regulations of the country as well as to suggest improvement.
- e) Discussion on financial performance with respect to operational performance
During the year the company has made a Profit of Rs.35,76,761.
- f) Human Resources
The company firmly believes that Human Resources and knowledge capital are vital for business success and creating value for stakeholders. The Company recognizes the fact that people drive business success, cordial with total dedicated efforts from employees. The number of employees on 30.06.2009 was 48.

DECLARATION

As provided under clause 49 of the Listing Agreement with Stock Exchanges, all board members and senior management personnel have affirmed compliance with "The Sylph Technologies Limited - Code of Conduct" for the year ended 30th June, 2009.

For & on behalf of the Board of Directors

Place : Indore
Dated : August 10, 2009

S.L. Jain
CHAIRMAN & DIRECTOR

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA

Certificate

To The Shareholders

SYLPH Technologies Limited

We have examined the compliance of the conditions of Corporate Governance by SYLPH Technologies Limited for the year ended 30-06-2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of the condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the Above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/S M.S. DAHIYA & Co.
CHARTERED ACCOUNTANTS

M.S. DAHIYA
Partner

Place : Indore
Dated : August 10, 2009

AUDITOR'S REPORT

To,
The Members of

SYLPH TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of SYLPH TECHNOLOGIES LIMITED at the year ended 30th JUNE 2009 and relative profit and loss account and the cash flow statement for the year ended on that date and signed by us under reference to this report. These financial statements are the responsibilities of the Company's Management; our responsibilities are to express an opinion on these financial statements based on our audit.
2. 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 amount and disclosures in the financial statements. 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 the reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order 2003 issued by the Central Government in term of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement of the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that :-
 - a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit,
 - b. *In our opinion proper books of accounts as required by law have been kept by the company so far it appears our examinations of those books,*
 - c. The Balance Sheet & Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the books of accounts,
 - d. In our opinion Balance Sheet & Profit & Loss Account & Cash Flow Statement dealt with by this report comply in all material respects with the applicable Accounting Standard issued by The Institute of Chartered Accountants of India referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956,
 - e. On the basis of written representation received from the directors, and taken on record by the Board of Directors, we record that none of the directors is prima facie disqualified as on 30th June, 2009 from being appointed as director in terms of clause (g) of Section 274 (1) of the Companies Act, 1956,
 - f. In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statement read with the significant accounting policies and notes to the accounts give the information required by The Companies Act, 1956 in the manner so required and give true & fair view in conformity with the accounting principles generally accepted in India:-
 - i. in case of Balance Sheet, of the state of affairs of the Company as at 30th June 2009,
 - ii. in case of profit & Loss Account, of the Profit for the year ended 30th June 2009.

For M/s M.S. DAHIYA & CO.
CHARTERED ACCOUNTANTS

FOR M.S. DAHIYA & CO

M.S. DAHIYA
(Partner)

Place : Indore Chartered Accountants
Date : August 10, 2009

Annexure to the Auditors' Report

To the Members of

Sylph Technologies Limited

[Referred to in paragraph (3) of our report of even date]

The Companies (Auditor's Report) Order, 2003 ('the order') was issued in June 2003 and came into force on 1st July, 2003. On the basis of such checks as considered appropriate and in terms of the information explanations given to us, we state as under:-

- i. In the respect of Fixed Assets :
 - a. Company has Maintained proper records showing full particulars including quantitative details & situation of fixed Assets,
 - b. All the Assets of the Company have been physically verified by the management at the end of the year & we are informed no discrepancies between book record and the physical inventories have been noticed,
 - c. During the year the Company has not disposed off any substantial part of Fixed Assets.
- ii. Inventory :
 - a. The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable,
 - b. The procedure of physical verification of inventories followed by the Management is reasonable & adequate in relation to the size of the Company and the nature of its business,
 - c. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii.
 - a. According to the information and explanation given to us, the company has not granted any loans secured or unsecured to Companies, firm of others parties covered in the register maintained under Section 301 of the Companies Act, 1956, The Company has taken unsecured loan from person covered in the Register maintained u/s 301 of the Companies Act, 1956.
 - b. In view of what has been stated above, clause (iii)(b) regarding terms and conditions of such loans, clause (iii)(c) regarding payment of principal amount and interest and clause (iii)(d) regarding stems for recovery of overdue amount of Para 4 of the order are not adverse to the Company for the year,
 - c. Not Applicable,
 - d. Not Applicable,
 - e. The Company has taken a loan from the person covered in the register maintained under Section 301 of the Companies Act, 1956. The balance of such loan amounted to Rs.15,66,000,
 - f. In our opinion, the rate of interest and other terms and conditions of which the loan has been taken from the person listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company,
 - g. In the case of loan taken from the person listed in the register maintained under Section 301, the company has been regular in the repayment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and payment of interest.
- iv. According to the information & explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets & for sale of goods. And we have neither come across nor have been informed of any continuing failure to correct weaknesses in the aforesaid internal control procedure.
- v. Based on the audit procedure applied by us and according to information & explanation provided by the Management, we are of the opinion that the company has not entered into any transaction during the year, except details given in para (iii) (e) above, which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.

In view of what has been stated above, clause (v) (b) regarding reasonability of price of such transaction is not applicable.

- vi. During the year under review, the Company has not accepted any deposits from public.
- vii. In our opinion, the Companies have an internal audit system commensurate with the size and nature of its business.
- viii. Cost audit rules are not applicable to company as per Section 209(1) (d) of the Companies Act, 1956.
- ix. a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other statutory dues. According to the information and explanation given to us, amount payable in respect of income tax outstanding, as at 30th June 2009 for a period of more than six month from the date they became payable.
b. According to the records of the Company, there are no dues of income tax which have not been deposited on account of any dispute.
- x. The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit, but the company has accumulated losses and has incurred cash losses during the immediately preceding financial year.
- xi. Based on our audit procedure and on the basis of information and explanation given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution or bank.
- xii. According to the information and explanation given to us, the Company has not granted any loans or advances on the basis of securities by the way of pledge of share, debenture or other securities.
- xiii. The provision of special statute applicable to Chit Fund, Nidhi or Mutual Benefits Fund/ Securities are not applicable to the company.
- xiv. The Company has maintained proper records of the transactions & contracts and has made timely entries in the records. The Company has held shares, securities, in its own name except to the extent of exemption granted u/s 49 of the Act.
- xv. According to the information and explanation given to us and records made available to us. The company has not given any guarantee for loans to others.
- xvi. The Company has not raised any term loans till date.
- xvii. According to the information and explanation given to us and on as over all examination of the Balance Sheet and Cash flow statement of the Company, we report that no funds raised on short term basis have been used for long investment by the Company.
- xviii. The Company has not made preferential allotment of the shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956
- xix. During the period covered by our audit report, the Company has not issued any debenture's requiring report under this clause.
- xx. The company has not raised any money by way public issue during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi. Based upon the audit procedure performed and information and explanation given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s M.S. DAHIYA & CO.
CHARTERED ACCOUNTANTS

Place : Indore
Date : August 10,2009

M.S.DAHIYA
(Partner)

BALANCE SHEET AS ON 30th JUNE, 2009

PARTICULARS	SCHEDULE	AMOUNT 30-06-2009	AMOUNT 30-06-2008
SOURCES OF FUNDS			
Shareholders' Fund		47187147.17	47108000.00
SHARE CAPITAL	A	47108000.00	
RESERVES & SURPLUS	B	79147.17	
LOAN FUNDS			
SECURED LOANS		0.00	0.00
UNSECURED LOANS	C	1566000.00	0.00
TOTAL		48753147.17	47108000.00
APPLICATION OF FUNDS			
Fixed Assets	D	42872.50	24080.00
Investments	E	5750000.00	5750000.00
Current Assets, Loans & Advances	F	44082780.00	41739044.00
Cash & Bank Balance	G	100973.67	175465.47
Other Current Assets	H	107121.00	57527.00
SUB TOTAL		44290874.67	41972036.47
Less :- Current Liabilities	I	1330600.00	4135730.00
Net Current Assets		42960274.67	37836306.47
Profit & Loss Account	J	0.00	3497613.53
TOTAL		48753147.17	47108000.00

Statement of Significant Accounting Policies and Notes forming part of Accounts P

As per report of even date attached.

For & on Behalf OF Board Of Director

FOR M/S M.S. DAHIYA & CO.

CHARTERED ACCOUNTANTS

Director

M.S. DAHIYA

Partner

Director

Date : August 10, 2009

Place : INDORE

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 2009

PARTICULARS	SCHEDULE	AMOUNT 30-06-2009	AMOUNT 30-06-2008
INCOME			
Operating Income	K	7475279.00	8131569.23
Other Incomes	L	524947.00	157129.00
	TOTAL	8000226.00	8288698.23
EXPENDITURE			
Employees Remuneration	M	1747400.00	3362100.00
Financial Expenses	N	2368.89	17058.00
Other Expenses	O	2647998.91	10617487.28
Depreciation		16197.50	10320.00
	TOTAL	4413965.30	14006965.28
		3586260.70	-5718267.05
PROFIT / LOSS BEFORE TAX			
Provision For Tas		0.00	
Profit / Loss After Tax		3586260.70	-5718267.05
Provision For Fbt		9500.00	3390.00
Previous Year Adjustment			1100000.00
		3576760.70	-4621657.05
BALANCE CARRIED TO BALANCE SHEET			
Statement of Significant Accounting Policies and Notes forming part of Accounts	P		
As per report of even date attached.			For & on Behalf OF Board Of Director
FOR M/S M.S. DAHIYA & CO. CHARTERED ACCOUNTANTS			Director
M.S. DAHIYA Partner			Director

DATE : August 10, 2009
PLACE : INDORE

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2009
Pursuant to Clause 32 of Listing Agreement(s) Amended

	AMOUNT 30-06-2009	AMOUNT 30-06-2008
A. CASH FLOW FROM OPERATION ACTIVITIES		
Profit after Tax	35.77	-46.22
Adjustment for Items not involving the movements of Funds: -	0.00	89.00
Depreciation as per P & L A/c	0.16	0.10
Preliminary & Pre-Operative Expenses	0.00	0.00
Operative Profit before Working Capital Changes	35.93	42.88
Increase in Unsecured Loans	15.66	--
Increase/Decrease in Fixed Assets	0.35	0.34
Increase/Decrease in Investments	0.00	31.00
Increase/Decrease in Current Liabilities	28.05	-28.04
Increase/Decrease in Current Assets	23.93	-77.25
Increase/Decrease in miscellaneous exp. P & L A/c	0.00	89.00
Increase/Decrease in Stock	0.00	26.50
Cash Generated from Operation	36.67	41.55
A. Net Cash flow from Operation	0.74	1.33
B. CASH FLOW FROM INVESTING ACTIVITIES	0.00	0.00
Net Cash Flow from Financing Activities	0.00	0.00
Net Increase/Decrease in Cash & Cash Equivalent	0.74	1.33
Add:- Cash & Cash Equivalent as at 30th JUNE 2008	1.75	0.42
Cash & Cash Equivalent as at 30th JUNE 2009	1.01	1.75

FOR M S DAHIYA & CO.
CHARTERED ACCOUNTANTS

M S DAHIYA
PROPRIETOR
Membership No. 72458

Date : August 10, 2009
Place : INDORE

FOR & ON BEHALF OF BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

AUDITORS' CERTIFICATE

To
The Board of Director
SYLPH Technologies Limited

We have verified the attached Cash Flow Statement of SYLPH Technologies Limited with reference to the audited annual accounts for the year ended 30th June 2009 and we found the same to be in agreement therewith.

FOR M S DAHIYA & CO.
CHARTERED ACCOUNTANTS

M S DAHIYA
PROPRIETOR
Membership No. 72458

Date : August 10, 2009
Place : INDORE

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	AMOUNT 30-06-2009	AMOUNT 30-06-2008
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORIZED CAPITAL (6000000 Equity Shares of Rs. 10 each)	60000000.00	60000000.00
ISSUED SUBSCRIBED AND PAID UP (4710800 Equity Shares of Rs. 10 each)	47108000.00	47108000.00
TOTAL	47108000.00	47108000.00
SCHEDULE 'B'		
RESERVES AND SURPLUS		
Profit and loss Account		
Opening Balance	-3497613.53	
Add: Profit During the period carried from profit and loss accoount	3576760.70	
TOTAL	79147.17	
SCHEDULE 'C'		
UNSECURED LOANS		
Rajesh Jain	1566000.00	0.00
TOTAL	1566000.00	0.00
SCHEDULE 'E'		
INVESTMENTS		
Long term investments		
Quoted shares	0.00	0.00
Unquoted Shares	5750000.00	5750000.00
TOTAL	5750000.00	5750000.00
SCHEDULE 'F'		
CURRENT ASSETS LOANS & ADVANCES		
Loans & Advances	35826245.00	15173428.00
Sundry Debtors (Considered Good)	5100000.00	23646616.00
Less than 6 months	5100000	
Others	0	
Interest Receivable	237535.00	0.00
Stock in trade	2919000.00	2919000.00
TOTAL	44082780.00	41739044.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	AMOUNT 30-06-2009	AMOUNT 30-06-2008
SCHEDULE 'G'		
CURRENT ASSETS		
Cash in Hand	87504.75	138594.75
Bank Balance with Schedule Bank	13468.92	36870.72
TOTAL	100973.67	175465.47
SCHEDULE 'H'		
OTHER CURRENT ASSETS		
Deposits	107121.00	57527.00
TOTAL	107121.00	57527.00
SCHEDULE 'I'		
CURRENT LIABILITIES & PROVISIONS		
Sundry creditors	0.00	2305459.00
Creditors for Expenses	1321100.00	1826881.00
Fringe Benefit Tax Payable	9500.00	3390.00
TOTAL	1330600.00	4135730.00
SCHEDULE 'J'		
PROFIT & LOSS ACCOUNT		
Opening Balance		1124043.52
Add : Profit During the period carried from profit and loss account		-4621657.05
TOTAL		-3497613.53
SCHEDULE 'K'		
OPERATING INCOME		
Job Work Charges	5590000.00	4334000.00
Sale of Software Exports	1642279.00	3797569.23
Sale of Software Domestic	243000.00	0.00
TOTAL	7475279.00	8131569.23

SCHEDULE 'D'								
FIXED ASSETS								
Particulars	As at Commence-ment of the year (Rs.)	Additions (Rs.)	Withdrawals and adjustments (Rs.)	As at the end of the year (Rs.)	Depreciation for the year (Rs.)	Depreciation on Withdrawals and adjustment (Rs.)	Depreciation up to 30th June, 2009 (Rs.)	Net Book Value as at 30th June, 2009 (Rs.)
Computers	24,080.00	34,990.00	---	59,070.00	16,197.50	---	16,197.50	42,872.50
Total	24,080.00	34,990.00	---	59,070.00	16,197.50	---	16,197.50	42,872.50
Previous year	---	34,400.00	---	34,400.00	10,320.00	---	10,320.00	24,080.00

SCHEDULE 'L'

OTHER INCOMES

Intrerst received on Loans & Advances

	524947.00	157129.00
TOTAL	524947.00	157129.00

SCHEDULE 'M'

EMPLOYEES REMUNERATION & BENEFITS

Salary & Bonus

	1747400.00	3362100.00
TOTAL	1747400.00	3362100.00

SCHEDULE 'N'

FINANCIAL EXPENSES

Bank Charges

	2368.89	17058.00
TOTAL	2368.89	17058.00

SCHEDULE 'O'

OTHER EXPENSES

Advertisement & Publicity

Depository Charges

Office Expenses

Computer Maintenance

Listing Fees

Legal Fees

D-Mat Charges

Audit Fees

Share Transfer Expenses

Postage & Telegram

Misc. Exp.

Rent Expenses

Repair & Maintenance

Club fees

Electricity Exp

Travelling exp

Telephone Exp

Bad Debts

Stationery & Printing Exps.

	51200.00	38298.00
	6618.00	7865.00
	9062.00	2950.00
	2720.00	0.00
	22414.00	0.00
	93538.45	253100.00
	6751.00	0.00
	1000.00	2125.00
	0.00	0.00
	30000.00	0.00
	0.00	13505.00
	0.00	53000.00
	75224.00	0.00
	5936.00	21421.00
	0.00	3050.00
	117640.81	144188.12
	62742.64	34435.16
	2132642.00	10000000.00
	21510.00	43550.00
TOTAL	2647998.91	10617487.28

NOTES FORMING PART OF ACCOUNTS

ACCOUNTING POLICIES

As per report of even date attached.

For & on Behalf OF Board Of Director

FOR M/S M.S. DAHIYA & CO.

CHARTERED ACCOUNTANTS

Director

M.S. DAHIYA

Partner

Director

Date : August 10,2009

Place : INDORE

Significant Accounting Policies

SCHEDULE – P

IT IS CORPORATE POLICY

1. Basis of preparation:

The Financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. All incomes and expenditures having a material bearing on the financial statement are recognized on the accrual basis. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

2. Use of estimates:

The preparation of statements in conformity with GAAP requires Management to make estimates and assumptions that affect reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and reported amount of revenue and expenses during the reported period. Actual result could differ from estimates. Any changes in estimates are adjusted prospectively. Management periodically assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reserved only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

3. Revenue recognition:

Revenue from software development services comprises income from time and material and fixed price contracts. Revenue from time and material basis is recognized as the services are rendered. Revenue from fixed price contracts and sale of license and related customization and implementation is recognized in accordance with the percentage completion. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become certain based on the current estimates.

Revenue from annual technical service contracts is recognized on pro rata basis over the period in which the services are rendered.

Service income accrued but not due represents revenue recognized on contracts to be billed in the subsequent period, in accordance with terms of the contract.

Profit on sales of investments is recorded on transfer of title of company and is determined as the difference between the sales price and carrying value of the investment. Interest on development of surplus funds is recognized using time proportion method, based on interest rates implicit in the transaction. Dividend income is recognized when the right to receive the same is established.

4. Expenditure:

The cost of software purchased for use in software development and services is charged to the cost of revenue in the year of acquisition. Post sales customer support costs are estimated by the management, determined on the basis of past experience. Expenses are accounted for on accrual basis and provisions are made for all losses and liabilities.

5. Fixed Assets:

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation. Fixed assets under construction, advances paid towards acquisition of fixed asset and cost of assets not put to use before the period /years end, are disclosed as capital work in progress.

6. Depreciation:

Depreciation on fixed assets, except leasehold land, is on straight line method based on the useful lives of respective as estimated by the management. Depreciation a basis for assets purchased/ sold during the period / year. Assets costing less than Rupees 5000 are fully depreciated in the period / year of purchase.

The management's estimates of the useful lives of various fixed assets are as follows:

Serial No.	Assets category	Useful life (in years)
1	Computers	4

7. Investments:

Investments are classified into long term and investments based on the intent of the management at the time of acquisition. Long term including investments in subsidiaries is stated at cost and provision is made to recognize any decline, other than temporary in the value of such investments. Current investments are stated at the lower of cost and the fair value.

8. Earnings Per share:

Basic earning per share is computed using the weighted average number of equity shares outstanding during the period /year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period/ year-end, except where the result would be anti – dilutive.

9. Taxation

Income tax is computed using tax effect accounting period, where taxes are accrued in the same period the related revenue and expenditure arise. A provision is made for income tax based on the tax liability computed after considering tax allowances and exemptions. The differences that result between the profit offered for income taxes and the profit as per financial statements are identified and thereafter a deferred tax asset or deferred liabilities is recorded for timing differences, namely the differences that originate in one accounting period and reserve in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of the financial year based on the prevailing enacted or substantially enacted regulations. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent there is virtual certainty of realization of such assets. In other situation, deferred tax assets are recognized only to the extent there is reasonable certainty realization in future. Such assets are reviewed at the end of each financial year and written down or written up to reflect the amount that is reasonably / virtually certain to be realized. Deferred tax assets or liabilities arising due to the timing difference, originality during the tax holiday period and reversing after the tax holiday period are recognized in the period in which the timing difference originates.

10. Managerial Remuneration :

No managerial remuneration has been paid during the period / year to the directors. (Previous year nil)

11. Segment Reporting

a) Segment accounting policies

The segment reporting policies complies with the accounting policies adopted for preparation and presentation of financial statements of the company and in conformity with accounting standard-17 on segment reporting issued by ICAI.

b) The company operates in two segments namely software development and share trading. During the period the company has operated only in one segment i.e. software development. Hence the entire revenue and expenses pertains to this segment.

c) The assets and liabilities are also represent one segment i.e. software development only.

12. Related party disclosures :

The company has not transacted with any related party during the year except interest free loan taken from Mr. Rajesh Jain Director, balance as at 30.06.2009 is Rs.15,66,000, (previous year Nil).

13. Legal and professional :

The payment to auditors is as follows :	30.06.2009	30.06.2008
Particulars	(in Rs.)	(in Rs.)
Audit fees	10,000	2,125

14. CIF value of imports

The company has not made any imports during the period. (Previous year NIL)

15. Expenditure in foreign currency:

The company has not made any expenditure in foreign currency during the period. (Previous year NIL)

16. Earnings in foreign currency:

The company has made earnings in foreign currency of US \$39,153.71 during the year. (Previous year \$1,08,342)

17. Dividend remittance in foreign currency

The company has not made any payment of dividend in foreign currency during the year (Previous year NIL)

18. Earnings per share:

Particulars	30.06.2009	30.06.2008
Profit (Loss) after tax available to equity shareholders (Before extra ordinary items)	35,76,760	-46,21,657
No. of shares Outstanding	4710800	4710800
Basic Earning Per Share	+0.76	-1.00

19. Capital commitments and contingents liabilities:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided in the books of accounts is NIL.(Previous year NIL)

(b) The company does not have any contingent liabilities at the end of the period. (Previous year NIL)

20. Previous year figure have been regrouped / reclassified wherever necessary to make them comparable with the current period.

As per report of even date attached.

For & on Behalf OF Board Of Director

M/S M.S. DAHIYA & Co.
 CHARTERED ACCOUNTANTS

Director

M.S. DAHIYA
 Partner

Director

Date : August 10, 2009

Place : INDORE

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.			7102
State Code			11
Balance Sheet Date	30	06	2009
	Date	Month	Year

II. Capital raised during the year

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

**III. Position of Mobilisation and Deployment of Funds
 (Amount in Rs. In Lacs)**

Total Liabilities	:	487.53	Total Assets	:	487.53
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SOURCE OF FUNDS

Paid-up Capital	:	471.08	Reserve and Surplus	:	0.79
Secured Loans	:	0.00	Unsecured Loans	:	15.66
Deferred Tax	:	Nil	Current Liabilities & Provision	:	13.31

APPLICATION OF FUNDS

Net Fixed Assets	:	0.43	Investments	:	57.50
Current Assets	:	442.91	Misc. Expenditure	:	0.00
Accumulated Losses	:	N. A.			

IV. Performance of Company (Amount in Rs. Lacs)

Turnover	:	80.00	
Includes other Income			

+ - Profit/Loss Before Tax

3 5 . 8 6

+ - Profit/Loss After Tax

3 5 . 8 6

(Please tick appropriate box + for profit, - for loss)

Earning per Share	:	0.76	Dividend	:	0.00
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V. Generic Names of three Principal Products / Services of the company (as per monetary terms)

a) Item Code no.	8 5 2 4 9 1 1 3	Product Description	S O F T W A R E D E V E L O P M E N T
(ITC Code)			

As per report of even date attached.

For & on Behalf OF Board Of Director

M/S M.S. DAHIYA & Co.
 CHARTERED ACCOUNTANTS

Director

M.S. DAHIYA
 Partner

Director

Date : August 10, 2009

Place : INDORE

SYLPH TECHNOLOGIES LIMITED

Registered Office: St-4 Press House, 22 Press Complex A. B. Road, Indore. 452008

ATTENDANCE SLIP

I hereby record my presence at the 17th Annual General Meeting of the Company at St- 4, Press House 22, Press Complex Indore Madhya Pradesh 452008 on Monday , the 5th of Oct., 2009 at 11:30 A.M.

Member's / beneficial owner's Name (In block letters): _____

Folio no./ beneficiary Account no. _____

Signature of the Member/ beneficial Owner: _____

Proxy/ Authorized Representative _____

Note: Shareholder/Proxy holder Wishing to attend the meeting must bring the attendance slip to The meeting and hand it over at the entrance of the meeting venue duly signed.

SYLPH TECHNOLOGIES LIMITED

Registered Office: St-4 Press House, 22 Press Complex A. B. Road, Indore. 452008

PROXY FORM

I/We _____

Of _____

Being a member / beneficial owner of the above named Company hereby appoint _____

of _____

or falling whom _____

of _____

as my / our Proxy to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting of Sylph Technologies limited to be held on Monday, the 5th Oct. 2009 at 11:30 A.M. at St-4 Press House 22, Press Complex Indore, Madhya Pradesh -452008 and at any adjournment(s) thereof.

Signed this Day2009

Folio no./ beneficiary account no. : _____

Signature of the member / beneficial owner _____

Note : This Proxy form much reach the registered office of the company not less than 48 hours before the time of holding the meeting.

Book - Post

To,

If undelivered, Please return to :

SYLPH TECHNOLOGIES LIMITED

Regd. Office : St - 4, Press House, 22 Press Complex A. B. Road, Indore - 452 008