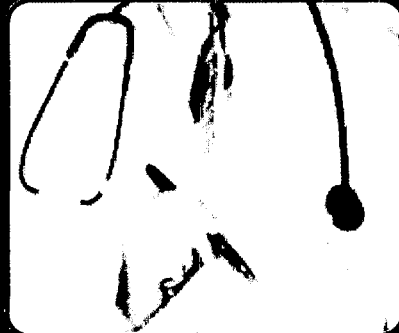


15 th Annual Report 2007-2008



www.netripples.com



netripples

Copyrights © 1993-2008 netripples software Ltd.



netripples®

Netripples Focus Health Care Products

THIS **Total Hospital Information System (THIS)** is an **enterprise version**, which is conceived, designed and developed to increase clinical outcomes, Operational efficiency, and improve financial outcomes from any healthcare provider. THIS is a secured, reliable and seamlessly integrated web based information system with **Twenty Six Modules** and **Seventeen Specialties** that allows Health Care provider to record, and share the clinical and other patient related information between healthcare providers and other entities. THIS keeps track of the patient records from registration to discharge. This software helps maintaining the data of each individual patient with a unique identification for his life time. THIS enables the concept of longitudinal medical record.



BLOOD BANK
Management System

The Netripples Blood Bank Information System 3.0 (BBIS) is an web based enterprise version,

which has been conceived, designed and developed to ease the administrative onus on the Blood Bank staff, to reduce the possibility of committing errors, to improve the efficiency of users and by large to enhance the overall quality of health care sector. This system is a secured and reliable web enabled information system that allows Blood banks, Associated Hospitals, Mobile Collection Centers and other Public Health Care Centers to record and share the information pertaining to the activities of Blood bank to the concerned. BBIS keeps track of the entire range of records right from the blood donation to the levels of final distribution. BBIS maintains the information for blood procurement through various sources (Central Blood Bank, Associated Centers, Other Hospitals and Mobile Collection Centers). This software provides for the maintenance of data down to the level of each individual donor and patient as the case may be



netripples®
Blood Bank
Version 3.0 System

The Netripples Blood Bank System 2.02 provides a simple solution to the Complex

Blood Bank Functions. It makes easy and simpler the following areas: Donor Registration, Screening, Component Preparation, Cross Matching, Issue of Blood and Inventory Management. Easy retrieval of the Information once stored. High level of Scalability ensures quick upgrades. Generation of statutory and MIS reports is also a part of the Netripples Blood Bank System



netripples



Netripples Public Health Care System is designed for use of public health departments

under various ministries in any country. This is comprehensive system available in both legacy technology, either as desktop solution or Multi-LAN Solution. It is also available in Web based application designed in DOT net framework of Microsoft Technologies with Relational databases connectivity either PL SQL or Oracle 9i. It has over 12 modules extendable to 17 modules covering, Disease Management system, Disease reporting system, Geo mapping, Mortality Tabling, Inspections Questionnaires, Laboratory system, Statistical Analysis, Disease approvals, Statistical Reporting, Documentation, Summary reports, Data Modeling, and finally National Health Center and Country Specific Ministry based formatted reports. Web based solution is configured with Web domain with optional connectivity to Palmtops, SMS, WAP enabled, Biometric configured, Bar code integrated, Smart card integrated and instantaneous accessibility to remotest location with internet feeders. It also provides database integration with relation to Mortality rates and yearly infectious disease listing and uploads to National Database



Netripples Hospital System

available in two version viz : Multi

LAN Legacy system and fully web based latest Dot net Application with over 26 modules and connectivity to PACS, RIS, LIS and Smart Card, Palmtop, WAP enabled and Video Conferencing equipment connectivity. A comprehensive solution designed to automate the activities of the hospital. The application has the capability to administer the total enterprise and efficiently manages the information. The system is designed with integrated modules to help add more users, more additional modules and meets the basic objective of scalability and utility factor for longer duration. It allows flexibility to the user to plan implementation in phases considering its economic and cost effective implementation. It's designed with an easy-to-use user interface.



netripples®



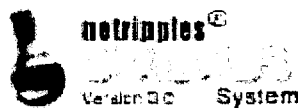
Maternity Hospital Management System, [MATHOS] has been designed to streamline the business practices of

nursing homes, maternity hospitals and local health centers in rural and semi urban areas including doctors clinic. Through its electronic patient information system, MATHOS ensures optimum use of the medical records of patients. Being patient-centric, the system makes it possible for all the information covering the examinations, diagnosis and case information on click of the mouse as the patient is close architecture of the software is made to withstand the large frequency of data accesses and is housed in a centrally located master system as back up and ensuring smooth retrieval and management of files effortless. Plus, easy integration ensures a Faster startup. Its high level of scalability ensures quick upgrades when change in the hospital's business practices so demands. What is more, with information collection, collation and retrieval all digitized, patient care regains top of mind status with physicians and hospital personnel ensures optimum utilization, touch with the hospital or doctor for a period of at least 14 months from the date of conception.



Pharmacy Management System keeps track of patient, doctor, drug and prescription records. It will

print receipts of Indent, Invoice, Stock Details, bills etc. The system covers typical operations like receiving medication from suppliers, processing departments' medication requests, distributing medication to departments, returning expired medication to suppliers. The system also maintains an inventory book on stock in/out details and provides monthly inventory report and statistics on medication consumption.



DiaLabs is a comprehensive solution designed to automate the activities of any Diagnostic center. System

has the Capability to administer the total enterprise and efficiently manages information. Dialabs is one of the very comprehensive diagnosis management system with a as high as more than 500+ tests reports can be taken at any point of time. It is designed to be quite useful



netripples®

even with a high demand of patients in peak hours. It takes care of the Inventory and stock of major capital equipment and also the revenue based stock system too. You will be able to take designer friendly reports too.



netripples®
DENTOS
Version 3.0 System

Dentos - a complete dental hospital management system covers all the activities of a dental hospital,

which include patient management, appointments scheduling, vendor management and report generation. Developed by IT technocrats in close coordination with dental experts, Dentos undoubtedly proves to be the best software in this area that enables the dentists to provide quality patient care with ease, by exploiting the technology to its best. Some of the features of this software include, tooth configuration, covering dentist services like tooth removals, tooth polishing, tooth examinations, fillings and as well guide to healthy teeth.



netripples®
PEDIATRIC
Version 3.0 System

Netripples Pediatric System is a comprehensive solution

designed to automate the activities of the any Pediatric Centre. System has the capability to administer the total enterprise and efficiently manages information. The Netripples Pediatric System application provides automated, vaccination module, growth chart and development module of child patients. It is one of the effective tools now needed by any pediatrician. This has been quite helpful in removing the obstacles of saving the children records either with guardians or doctors for at least 5 to 6 years to keep track of vaccination and immunization progress information.



BOARD OF DIRECTORS

Sri Mazhar Pasha Chairman & Managing Director

Sri Abdul Hafeez
Director

Dr.K.Rajyalakshmi
Director

AUDITORS

BHASKAR RAO K.V & Co
Chartered Accountants
H.No.8-3-231/W/8,
Women's co-operative Housing Society,
Jubilee Hills, Road No.2,
Hyderabad – 500 045.

BANKERS

KOTAK MAHINDRA BANK, SOMAJIGUDA
STATE BANK OF HYDERABAD,
PANJAGUTTA,
HYDERABAD.

REGISTERED OFFICE

83/1, Netripples Centre,
Srinagar Colony,
Hyderabad – 500 073.



NOTICE

Notice is hereby given, calling for the 15th Annual General Meeting will be held on **26-09-2008** at 11:00 a.m. at Register Office, 83/1, Srinagar Colony, Hyderabad-73 to consider and transact the following.

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2008, Profit & Loss A/c. for the year ended on that date and the reports of the Board of Directors and Auditor's thereon.
2. To appoint Director in place of Mr. Abdul Hafeez, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. BHASKARA RAO K.V&CO, Chartered Accountants, the retiring auditors are eligible for re appointment.
4. Any other subject.

BY ORDER OF THE
BOARD OF DIRECTORS

Place: Hyderabad
Date : 25-08-2008

MAZHAR PASHA
Managing Director

Notes :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the vote instead of himself and proxy need not be a member. The proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
2. Members are requested to bring their copies of the Annual Report to the meeting, and handover the attendance slips at the entrance hall of the meeting.



DIRECTOR'S REPORT

To the members,

Your Directors have the pleasure in presenting the Fifteenth Annual Report on the business and operations of your company with audited accounts for the year ended 31st March 2008.

Operations:

Your directors are pleased to present this year operation results, We continue our growth trend since the year 2004 with normal profits, this year with a gross turnover crossing 871 lakhs mark and the net operational profits will be Rs.10,21,482/-.

The revenue generation system has been improved from The **Medical and Hospital suite of Applications** where in we have close to 15 products ready and Software Products and services. These are copyrighted and now available with copyright valid in 155 countries registered with Copyright registrar of India and other parts of the world.

The list of copyrights are given below in the table for some of the prominent and popular system

Sl. No	Netripples Product Name	Copyright No	Suitability
1.	Clinical Software	L-29052, 29048, 29044	Clinics/polyclinics
2	Hospital Management System	SW-3221/2006	Hospitals
3	MATHOS- Maternity and Nursing Homes System.	L-29045/2007	Maternity Nursing Homes
4	Total Hospital Information System	Sw-3218/2006	General and Large Hospitals
5	Blood Bank Information System	SW-3219/2006	Blood Banks
6	Dialabs-System	L-29046/2007	Diagnostic Centers
7	Total Blood Bank Management System	SW-3220/2006	Large Multisite Blood Banks
8	Picture Archiving and Communication System	L-29043/2007	Radiology Labs
9	Netripples Advanced Laboratory Information System	L-29042/2007	Large Multi Site Laboratory Systems
10	Total Pharmacy Information System	L-29049/2007	General Pharmacy and Multi Site pharmacy system.



Each product brings potential revenue generating segment from the target customer segments like Hospitals, Blood Bank, Pharmacy outlets, Retail Segment too.

On the Plus side, your company now has globally recognized Health Care Suite of application, and which can generate revenue and other than segment of Back end processing and support services.

The offshore development center is now revamped to enhance the product features to meet the technology changes happening now.

Thus without mincing much words it is mentioning that your company is becoming one of best product company in India and is on growth stage and your continued patronage will help this company to bring the thoughts the values and more ever the value for money over the period of time.

At the outset we would like to thank all the board of directors, the Employees, The Bankers, STPI, Stock Exchanges, SEBI, Registrars and other Govt agencies and authorities for their valuable support during the year.

Further Outlook:

Your company will continue to explore the possibilities of entering into new markets. At the domestic front your company has been approached with domestic players for networking and global tie-ups including the Global technology partnership and the negotiations are on for tie-up and hopeful to be fruitful soon.

Directors Responsibility Statement

In pursuant of section 217 (2AA) of Companies Act, 1956, the directors of your company hereby furnish the following responsibility statement with regard to annual accounts, accounting policies, maintenance of adequate accounting records etc.,

- i. That in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any there from;
- ii. That the Directors have selected such accounting polices and applied them constantly and made judgments and estimates that are reasonable and



netripples

- prudent so as to give a true and fair view of state of affairs of the company at the end of the financial year ended 31st March 2008 and of the profit and loss of the company for that period;
- iii. That the directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - iv. That the directors have prepared the annual accounts on a going concern basis;

Management Discussions and Analysis

Pursuant to the provisions of clause 49 of the listing agreement, a report on management discussion and analysis is set in the annexure as addition to this report.

Constitution of committees:

It is brought to the notice of the members that the provisions of clause 49 of the listing agreement became applicable to the company by the end of March 2008. As required by the said clause your company has constituted two committees.

1. Shareholders/Investors Grievance Committee comprising of Mr.

- | | |
|----------------------|---|
| a. Dr.K.Rajyalakshmi | Non Executive
Independent Director,
Chairman. |
| b. Mazhar Pasha | Executive Director,
Member. |
| c. Abdul Hafeez | Non-Executive Director,
Member. |

2. Audit Committee comprising of

- | | |
|----------------------|------------------------------------|
| a. Dr.K.Rajyalakshmi | Non-Executive Director,
Member. |
| b. Abdul Hafeez | Non-Executive Director,
Member. |

Auditors:

M/s. BHASKAR RAO K.V & CO, Hyderabad, the auditors of the company retire at the conclusion of the ensuring Annual General Meeting and being eligible, offer themselves for reappointment.



netripples

Particulars of Employees:

No employee of the company is in receipt of remuneration of 12 lakhs per annum no employee is in receipt of remuneration of Rs 1,00,000 /- per month for any part of the financial year the particulars of which require to be disclosed pursuant to section 217(2A) of the companies Act, 1956 and the companies (particulars of Employees), Rules 1975 as amended.

Listing: Your Company's shares are presently traded on the Stock Exchanges of Bangalore and Ahmadabad.

Conservation of Energy, Technology Absorption, exports and foreign exchange earnings and outings in accordance with the Companies (Disclosure of particulars in report of Board of Directors) Rules 1988 is set out in this report.

Corporate Governance:

Your Company is committed to achieve the best standards of corporate governance. Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on the Corporate Governance is featuring as part of Annual Report. A Certificate obtained from the statutory auditors on the compliance of Corporate Governance is annexed to this report.

Secretarial Compliance Report

As a reflection of your Company's commitment to transparency The Board is pleased to enclose the Secretarial Report for the financial year 2007-08 as part of the Director's Report.

Acknowledgements:

The Board wishes to express its deep sense of gratitude to the company's Bankers. The Board of Directors also thanks all the shareholders who have put their trust in the company.

The Board of Directors would like to place on record their appreciation to all the employees for their co-operation and valuable contribution.

Place: Hyderabad
Date: 07-06-2008

MAZHAR PASHA
CHAIRMAN



ANNEXURE TO THE DIRECTOR'S REPORT

Management Discussions and Analysis:

Your Company continues the growth trend this year irrespective of the global downtrend and rupee devaluation. The profits have been lesser due to the company values its contribution to its customers and planned its strategic growth accordingly.

On the plus side, your company now has globally recognized Health care suit of application, and which can generate revenue and other than segment of back end processing and support services.

The offshore development center is now revamped to develop these products.

The offshore development center is now revamped to enhance the product features to meet the technology changes happening now.

We added more partners and also explored to expand operations in Malaysia, Serbia, USA, Canada, Brunai, Singapore, Saudi Arabia to start fresh to meet the health care IT segment demand which steadily raising for last year all over the world.

Thus without mincing much words it is mentioning that your company is becoming one of the best product in India and is on growth stage and your continued patronage will help this company to bring the thoughts the values and more ever the value for money over the period of time.

At outset we would like to thank all the board of directors, the employees, the Bankers, STPI, Stock Exchanges, SEBI, registrars and Govt. agencies and authorities for their valuable support during the year.



netripples

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company has maintained its tradition of cordial relationship with the shareholders and is dedicated to the principle of creating wealth for the shareholders, Your Company firmly believed in its dealings and lays emphasis on regulatory compliance. Your Company considers good corporate governance enhance the confidence of investors and helps in meeting the needs and aspirations of its shareholders. The Annual Report has made substantial disclosures on the Board, Board Committee and on the financial and stock performance.

2. BOARD OF DIRECTORS

• Composition and category of Directors:

Name	Category	Designation	No. of meetings Held during the Last financial year	No. of meetings attended Director at last AGM	Attendance of each Director at last AGM
Mazhar Pasha	Promoter and Executive Director	Managing Director	7	7	Yes
Dr.K.Rajyalakshmi	Non-Executive Director	Director	7	7	Yes
Abdul Hafeez	Non-Executive Director	Director	7	6	Yes

There has been no change in the composition of the Board of Directors since the last Annual General Meeting.

During the financial year 2007-08 7 meetings of the Board of Directors were held. These meetings were held on 7th July,2007, 4th August, 2007, 30th August, 2007, 13th October, 2007, 5th December,2007, 19th January,2008 and 31st March, 2008.

3. AUDIT COMMITTEE

• Terms of Reference

The Audit Committee has interalia the following terms of reference:

- (a) Reviewing the adequacy of internal control systems
- (b) Over see Company's financial reporting process and the disclosure of the financial information to ensure that, the financial statement is correct, sufficient, and credible.



netripples

- (c) Recommend appointment of external auditor, fixation of audit fee and approve of payment of other services.
- (d) Reviewing with the management, the Annual financial statements before submission to the Board.

• Composition

a) Abdul Hafeez -Non-Executive - Chairman

b) Dr.K.Rajyalakshmi -Non Executive Independent Director

The Manager (F&A), External Auditors as invitees attended the meetings of Audit committee.

• Meetings and attendance during the year

Members	Meetings held	Meetings attended
Abdul Hafeez	3	3
Dr.K.Rajyalakshmi	3	3

REMUNERATION COMMITTEE

The Company has not constituted Remuneration Committee during the financial year 2007-08.

5. INVESTORS' GRIEVANCE COMMITTEE

• Terms of Reference

Investors' Grievance Committee facilitates prompt and effective redressal of shareholders' complaints and the reporting of the same to the Board periodically.

• Composition

a) Dr.K.Rajyalakshmi -Non-Executive Director - Chairman

b) Mazhar Pasha -Executive Director - Member

c) Abdul Hafeez -Non Executive Director - Member

• Meetings and attendance during the year

Members	Meetings held	Meetings attended
Dr.K.Rajyalakshmi	2	2
Mazhar Pasha	2	2
Abdul Hafeez	2	2



netripples

6. SHAREHOLDERS' MEETINGS

• Details of last three Annual General Meetings held:

Date	venue	Time	No.of Special resolutions
Sept 30,2005	83/1, Srinagar Colony Hyderabad-500 073	10.30 A.M	Nil
August 28,2006	83/1, Srinagar Colony Hyderabad- 500 073	10.30 A.M	Nil
Sept,29, 2007	83/1, Srinagar Colony Hyderabad-500 073	11:00 A.M	1

- There were no special resolutions were put through postal ballot last year

7. DISCLOSURES

- No major disclosure pertaining to the operations, Management and other Promoters covering Corporate Governance has been noted.

There were no penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

8. MEANS OF COMMUNICATION

- During the financial year 2007-08, the Company has been maintaining communication between Investors, Stock exchanges and all the enquires or information has desired were being furnished by the company.
- Management Discussion and Analysis forms part of this Annual Report and is provided elsewhere in this report.



9. GENERAL SHAREHOLDER INFORMATION

• The Annual General Meeting of the Company will be held on 26th September 2008 at 11.00 A.M at registered office 83/1, Srinagar Colony, Hyderabad.

• **Financial Calender (Subject to change):**

Unaudited financial results for:

First Quarter	July 2008
Second Quarter	October 2008
Third Quarter	January 2009
Fourth Quarter	May 2009

• Date of Book Closure from 7th July, 2008 to 12th July, 2008 (both days inclusive)

• The shares of the Company are listed on:
Bangalore stock Exchange
Ahmedabad Stock Exchange
Hyderabad Stock Exchange

The Company has submitted application to Bombay Stock Exchange under BSE-Indonext for listing duly recommended by Bangalore Stock Exchange and is under process & due consideration.

• Stock Code: INE 478B01018

• Monthly price data: The monthly high and low stock quotations during the financial year 2007-08 and performance on HSE is given below:

Month & Year	Hyderabad Stock Exchange		Rs.
	High	Low	
Nil trading during the year			

• **Registrar and Transfer Agent:**

Bigshare Services Private Limited
Regd.Off: E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka, Andheri (E),
Mumbai - 400 072.

Bigshare Services Private Limited
Branch Off: G-10, Left Wing,
Amrutha Ville,
Somajiguda,
Hyderabad - 500 082.



netripples

• **Share Transfer System**

Share transfers are registered and returned with in 30 days from the date of receipt, if the documents are in order in all respects.

The shares of the Company were issued to public in Dematerialization form.

The Company has not issued any instruments, which are convertible into equity during the financial year 2007-08.

• **Address for Correspondence:**

Netripples Software Limited
83/1, Srinagar Colony,
Hyderabad - 500 073.
e-mail:info@netripples.com

By Order of the Board

Place : Hyderabad
Date: 07.06.2008

MAZHAR PASHA
Managing Director



COMPLIANCE CERTIFICATE

Name of the Company:
NETRIPPLES SOFTWARE LIMITED,
CIN NO. of the Company:
U72200AP 1993 PLC 015760
Authorised Capital: Rs.7,86,00,000/-
Paid Up Capital : Rs.6,81,69,000/-

To,
The Members,
Netripples software Limited
83/1, Srinagar Colony,
Hyderabad 500073.

I have examined the registers, records, books and papers of M/s. NETRIPPLES SOFTWARE LIMITED (Registration No.01-15760) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2008. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The company has kept and maintained registers as per Annexure -I as per the provisions and the rules made there under and subject to my specific observations all entries therein have been duly recorded.
2. The company has filed those forms and returns, with the Registrar of Companies within the time prescribed under the Act and the rules made there under as set out in Annexure-II.
3. The Company being a Limited Company has the minimum paid-up capital required for a public limited company. During the financial year, the company
 - (i) has not invited public to subscribe for its shares or debentures;
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. During the Financial year, the Board of Directors have duly met times 7(Seven) viz., 7th July 2007, 4th August 2007, 30th August 2007, 13th October 2007, 5th December 2007, 19th January 2008 and 31st March 2008 & in respect of which meetings



netripples

proper notices were given and the proceedings were properly recorded.

5. As per the information provided to us, the date of book closure of the company was from 29TH September 2007 to 4th October 2007 (both days inclusive) during the year under scrutiny in accordance with the listing agreement entered into with the stock exchanges but notice of AGM and Book closures given to stock exchange & paper publications are not readily available.
6. The Annual General Meeting for the financial year ended on 31.3.2007 was held on 29-09-2007 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. 2 Extra Ordinary General meeting were held on 28 08 2007 and 07-01-2008 during the year.
8. The company has not advanced loans to directors and or persons or firms or companies referred to in Sec.295 of the Companies Act, 1956 during the year under scrutiny.
9. The company has complied with the provisions of per section 297 of the Act during the year under scrutiny.
10. The company has made necessary entries in the register of contracts maintained under section 301 of the Act during the year under scrutiny.
11. The company has not entered into any transactions necessitating the approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act.
12. The Company has not issued any duplicate certificates during the financial year
13. The Company has:
 - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.



- (ii) The Company has not declared any dividend as such, the provisions relating to transfer of unpaid dividend to the Investor Education and Protection Fund does not arise.
- (iii) The Company has duly complied with the requirements of section 217 of Act.
- 14. The Board of Directors of the company is duly constituted and the appointment of directors have been duly made.
- 15. The company has reappointed the Managing Director during the financial year.
- 16. The company has not appointed any sole selling agents during the financial year under scrutiny.
- 17. The directors have disclosed their interest in other firms/companies to the Board of directors pursuant to the provisions of the Act and the rules made there under.
- 18. The company has not issued any further shares during the financial year.
- 19. The company has not bought back any shares during the financial year.
- 20. The company has no redeemable preference shares/debentures.
- 21. The company no transactions necessitating the keeping in abeyance of rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
- 22. There were no transactions necessitating the compliance of the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975, the applicable directions issued by the Reserve Bank of India/ any other authority in respect thereof.
- 23. The company has made any borrowings during the financial year ended 31-03-2008.



netripples

24. The company has not made loans and investments, or given guarantees or provided securities to other bodies corporate during the year under scrutiny and consequently no entries have been made in the register kept for the purpose during the year under review.
25. The company has not altered the provisions of the memorandum with respect to situation of the company's Registered Office from one state to another during the year under scrutiny.
26. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
29. The company has not altered its articles of association during the year under scrutiny.
30. According to the information provided to us, no prosecution steps were initiated against or show cause notices received by the company for alleged offences under the Companies Act 1956 and also no fines or penalties were paid or any other punishment imposed on the company.
31. The company has not received any amounts towards security deposits from its employees during the year under certification.
32. The provisions of Sec. 417 of the Companies Act, 1956 with respect to the Employees Provident Fund are not applicable to the company.

Place: Hyderabad

Date: 21-08-2008

S.ANAND SS RAO
Company Secretary in practice
C. P. No.: 5687



ANNEXURE-I

Details of Registers maintained by the Company during the Financial Year 2007-2008 under Companies Act, 1956.

1. Register of Directors
2. Register of Members being maintained in demat form by Registrars and share transfer agents and the physical register needs to be updated.

Register of Share Transfers in demat form maintained by RTA

3. Register of Directors Shareholdings.
4. Register of Charges.
5. Register of Contracts.
6. Register of Investments.

ANNEXURE-II

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2008.

Sl. No.	Description of the Document	Sec.No.	Date of Filing with ROC	Whether filed in time or not (Yes / No)	Whether Additional Fees Paid or not
1	Annual Return for the year 2007-Form 20B	159	02-01-2008	No	yes
2	Balance Sheet & PL for the year 31 03 2007 form 23AC, ACA	210	02-01-2008	No	yes
3	Form No. 23	192	22-09-2007	Yes	No
4	Form 2 & 3	75	22-09-2007	Yes	No
5	Form 25C	269	11-03-2008	Yes	No
6	Form 23	192	13-03-2008	No	yes

Place: Hyderabad

Date: 21-08-2008

S.ANAND SS RAO

Company Secretary in practice

C. P. No.: 5687.



CERTIFICATE ON CORPORATE GOVERNANCE
(April 2007 to March 2008)

To,
The Members of Netripples Software Limited.

1. We have examined the compliance of conditions of Corporate Governance by Netripples Software Limited ("the Company") for the year ended March 31, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given, was satisfactory covering the minimum compliances of Corporate Governance.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

4. We state that in respect of investor grievances received during the year ended March 31, 2008, we are able to state that the investor grievances were not pending for a period exceeding one month against the Company.
5. We further state that compliance is neither an assurance as to the future viability of the company nor the efficiency with which the management has conducted the affairs of the company.

Place : Hyderabad
Date : 07.06.2008

Bhaskar Rao K.V
Partner
For and on behalf of
Bhaskar Rao K.V.& Co.
Chartered Accountants



**Auditors Report to the Members of
Netripples Software Limited**

1. We have audited the attached Balance Sheet of Netripples software Limited as at March 31st 2008, and also the Profit & Loss account and cash flow statement 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 the report.
2. We have 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 misstatements. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 the companies act, 1956, we enclosed in the annexure a statement on the matters paragraphs 4 and 5 of the said order to the extent applicable.
4. Attention to dawn to the following notes in Schedule -17
 - i) Note No1, regarding sundry debtors, There is no Sundry debtors which are more than six months. The company has got the reconciliation and confirmation of balances from the parties accordingly and maintained by the company.
 - ii) Note No.2 regarding valuation of finished software applications and products in process, for which the valuation and realization is taken at the values stated by the management in the financial statements on valuation done as per previous record and methodology and due consideration is given for market trends.
 - iii) Note No.6 non-provision of Deferred tax on account of exemption claimed by the management as per the provisions of the income tax act, 1961.
5. Subject to our comments in the annexure referred to in paragraph 4 above and subject to note No.6 in schedule 17 we report that:



netripples

- i. We have obtained all the information and explanations, subject to paragraph 4 above, which to the best of our knowledge and belief were necessary for the purpose of audit.
- ii. In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of these books.
- iii. The Balance Sheet, Profit & Loss Account and Cash flow statements dealt with by this report are agreement with the books of accounts.
- iv. In our opinion, the Balance Sheet, Profit & Loss account and Cash flow statements dealt with by this report comply with the accounting standards referred to in sub section (3c) of section 211 of the companies act, 1956 to the extent applicable.
- v. On the basis of written representations received from the Directors, and taken on record by the Board of Directors as at March 31st 2008, no director is disqualified from being appointed as director as per the provisions of the 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 given the information required by the companies act, 1956, in the manner so required, and subject to paragraph (4) above, give a true and fair view in conformity with the accounting principals generally accepted in India.
 - a. In case of the Balance Sheet of the state of affairs of the company as at 31st March, 2008.
 - b. In case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - c. In case of cash flow statement, of the cash flows for the year ended on that date.

For and on behalf of
BHASKARA RAO K.V & CO.
Chartered Accountants

Venkata Bhaskara Rao K
(Membership No.202002)
Partner

Place: Hyderabad
Date: 7th June 2008



netripples®

ANNEXURE TO THE AUDITORS' REPORT

- 1)
 - (a) The Company has generally maintained proper records showing full particulars including quantitative details and location of the Fixed Assets.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, no material discrepancies were identified on such verification.
 - (c) In our opinion, and according to the information and explanations given to us, there was no substantial disposal of fixed assets during the year.
2. As per the representation given by the company and relied on by us, we report that -
 - (a) the stock of Inventory has been physically verified by the management during the year.
 - (b) the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) the Company has maintained proper records of inventory and no discrepancies were noticed on physical verification.
3. Internal control procedures are adequate and commensurate to the size of the company and nature of its business, but since the company has grown, further controls can be deployed.
4.
 - (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of RS.5,00,000 in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of Section 58A and 58AA of the



netriple's

- Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
6. The company has outsourced its internal audit system and it is commensurate with the size and nature of its business.
 7.
 - (a) According to the information and explanations give to us, the provisions of Provident Fund, Employee's State Insurance Act, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess are not applicable to the company at present and there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at March 31, 2008 for a period of more than six months from the date.
 - (b) According to the records of the company and as per information and explanations given to us, there are no disputed aforesaid statutory dues which have not been deposited on account of any dispute as at March 31, 2008.
 8. As per the information and explanations given to us and on an overall examination of financial statements of the Company for the current year and immediately preceding financial year, we report that the company had a profit of Rs.8,61,482 as at March 31,2008 and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
 9. As per the information and explanations given to us and on an overall examination of the financial statements of the company, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
 10. As per the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 11. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
 12. As per the information and explanations given to us, the Company has not obtained any term loans during the year.
 13. Based on the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.



netripples

14. Based on the information and explanations given to us and overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.
15. As per the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
16. The Company has not raised any money by way of public issue during the year.
17. As per representation given by the company and relied on by us, no fraud on or by the company has been noticed or reported during the year.
The other clauses of the Order are either not applicable or not relevant to the operations of the Company for the year, and accordingly we have not reported on the matters specified in those clauses

For and on behalf of
BHASKARA RAO K.V & CO.
Chartered Accountants

Venkata Bhaskara Rao K
(Membership No.202002)
Partner

Place: Hyderabad
Date: 7th June 2008



netripples

BALANCE SHEET As at 31st March 2008

	Schedule	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
1. SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	1	68,169,000	68,169,000
Profit & Loss A/c		3,524,737	2,663,255
LOAN FUNDS			
Un Secured loans	2	-	159,587
Secured Loans	3	5,678,627	273,147
DEFERRED TAX LIABILITY		2,361,065	2,361,065
TOTAL FUNDS EMPLOYED		79,733,429	73,626,054
2. APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	19,840,851	19,592,487
Less: Depreciation		15,474,992	14,527,002
Net Block		4,365,859	5,065,485
CURRENT ASSETS & LOANS AND ADVANCES			
Inventories	5	58,940,184	41,264,017
Sundry Debtors	6	8,497,663	19,134,912
Cash & Bank balances	7	336,021	255,145
Loans & Advance	8	3,116,890	3,194,581
		70,890,758	63,848,655
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	9	1,169,983	1,420,569
Provisions	10	160,000	319,511
		1,329,983	1,740,080
NET CURRENT ASSETS		69,560,775	62,108,575
MISCELLANEOUS EXPENDITURE	11	5,806,795	6,451,994
(to the extent not written off or adjusted)			
TOTAL FUNDS APPLIED		79,733,429	73,626,054
NOTES TO ACCOUNTS	17		

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date for and on behalf of the Board of Directors

Bhaskar Rao K.V.
Partner
for and on behalf of
Bhaskar Rao K.V & Co
Chartered Accountants

Mazhar Pasha Dr.K.Rajyalakshmi
Managing Director Director

Place: Hyderabad
Date: 07.06.2008



netripples®

PROFIT AND LOSS ACCOUNT For the year ended 31 st March 2008

Schedule For the year ended For the year ended
31st March,2008 31st March, 2007
(Rs.) (Rs.)

INCOME			
Sales & Services			
Exports		69,303,419	69,906,460
Increase / (Decrease) in stocks	12	17,676,167	9,536,034
Other Income	13	132,806	138,449
TOTAL INCOME		87,112,392	70,580,943
EXPENDITURE			
Personnel Expenses	14	2,239,985	2,083,665
Administrative Expenses	15	82,549,803	65,207,212
Financial Expenses	16	353,132	79,872
Depreciation	4	947,990	1,143,247
TOTAL EXPENDITURE		86,090,910	68,513,996
PROFIT/(LOSS) BEFORE TAX AND EARLIER YEAR ADJUSTMENTS			
		1,021,482	2,066,947
Less:Provision for Current Tax		160,000	316,731
PROFIT/(LOSS) AFTER TAX		861,482	1,750,216
Balance brought forward		2,663,255	913,039
Profit/(Loss) Carried to Balance Sheet		3,524,737	2,663,255
Basic and Diluted Earnings per Share		0.13	0.26

NOTES TO ACCOUNTS 17

The schedules referred to above form an integral part of the Profit and loss account

As per our report of even date for and on behalf of the Board of Directors

Bhaskar Rao K.V.
Partner
for and on behalf of
Bhaskar Rao K.V & Co
Chartered Accountants

Mazhar Pasha Dr.K.Rajyalakshmi
Managing Director Director

Place: Hyderabad
Date: 07.06.2008



netripples

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2008 (Rs.)	As at 31st March, 2007 (Rs.)
SCHEDULE - 1 : SHARE CAPITAL		
Authorised Share Capital 7,860,000 Equity Shares of Rs.10/- each.	<u>78,600,000</u>	<u>78,600,000</u>
Issued, Subscribed & Paid up Capital 6,816,900 Equity Shares of Rs.10/- each fully paid up	<u>68,169,000</u>	<u>68,169,000</u>
	<u>68,169,000</u>	<u>68,169,000</u>
SCHEDULE - 2 : UNSECURED LOANS		
Loan from Director	-	159,587
	-	<u>159,587</u>
SCHEDULE - 3 : SECURED LOANS		
Vehicle Loan(Kotak Premius Finance Ltd.)	31,947	273,147
Kotak Mahindra Bank -C.C Loan	<u>56,46,680</u>	
	<u>5,678,627</u>	<u>273,147</u>

SCHEDULES TO THE ACCOUNTS
SCHEDULE - 4: FIXED ASSETS

Rs.

Description of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 31-3-2007	additions	As At 31-3-2008	As At 31-3-2007	For The year	As At 31-3-2008	As At 31-3-2008	As At 31-3-2007
Plant & Machinery	8,469,375	79,714	8,549,089	6,041,272	341,511	6,382,783	2,166,306	2,428,103
Furniture & Fixtures	3,339,182	130,095	3,469,277	2,622,710	144,533	2,767,243	702,034	716,472
Electrical Installations	3,101,450	6,315	3,107,765	2,371,595	146,040	2,517,635	590,130	729,855
Air conditions & Other equipments	3,739,890	32,240	3,772,130	3,113,322	169,817	3,283,139	488,991	626,568
Vehicles	942,590	-	942,590	378,103	146,089	524,192	418,398	564,487
	19,592,487	248,364	19,840,851	14,527,002	947,990	15,474,992	4,365,859	5,065,485





SCHEDULES TO THE ACCOUNTS

	As at 31st March,2008 (Rs.)	As at 31st March,2007 (Rs.)
--	-----------------------------------	-----------------------------------

SCHEDULE - 5 : INVENTORIES

(Certified by the management and valued as per Accounting Policies of the Company)

In Process	15,955,926	3,721,445
Finished Products - Software Applications/Products	42,984,258	37,542,572
	<u>58,940,184</u>	<u>41,264,017</u>

SCHEDULE - 6 : SUNDRY DEBTORS

(Unsecured, considered Good)

Outstanding for period exceeding six months

Others	8,497,663	19,134,912
	<u>8,497,663</u>	<u>19,134,912</u>

SCHEDULE - 7 : CASH & BANK BALANCES

Cash on hand	17,255	27,575
Balances with Scheduled Banks in Current Accounts	256,266	165,070
In Fixed Deposits	62,500	62,500
	<u>336,021</u>	<u>255,145</u>

SCHEDULE - 8 : LOANS AND ADVANCES

(Unsecured, Considered good, and recoverable in cash or kind or for value to be received)

Deposits	99,788	99,788
Advance against ESOP-Netripples.com		
Trust Foundation	3,005,000	3,005,000
Other Advances	12,102	89,793
	<u>3,116,890</u>	<u>3,194,581</u>



netripples

SCHEDULES TO THE ACCOUNTS

	As at 31st March,2008 (Rs.)	As at 31st March,2007 (Rs.)
SCHEDULE - 9 : CURRENT LIABILITIES		
Liabilities for expenses	1,114,516	1,362,301
Liabilities for Capital Goods	31,200	31,200
Other Liabilities	24,267	27,068
	<u>1,169,983</u>	<u>1,420,569</u>

SCHEDULE - 10 : PROVISIONS

Provision for Income tax	160,000	319,511
	<u>160,000</u>	<u>319,511</u>

SCHEDULE - 11 : MISCELLENEOUS EXPENSES

(to the extent not written off or adjusted)

Preliminary & Pre operative Expenses	4,169,910	4,633,233
Public Issue Expenses	2,282,084	2,535,649
	<u>6,451,994</u>	<u>7,168,882</u>
Less: Written off during the year	645,199	716,888
	<u>5,806,795</u>	<u>6,451,994</u>



netripples

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
--	--	--

SCHEDULE-12: INCREASE/(DECREASE) IN STOCKS

Opening Stocks		
In Process	3,721,445	1,872,845
Finished Products	37,542,572	29,855,138
Closing Stocks		
In Process	15,955,926	3,721,445
Finished Products	42,984,258	37,542,572
Increase/(decrease) in Stocks	17,676,167	9,536,034

SCHEDULE-13: OTHER INCOME

Credit balances written back	93,801	47,348
Miscellaneous Income	39,005	91,101
	132,806	138,449

SCHEDULE-14 : PERSONNEL EXPENSES

Salaries, Stipend, Incentives, Bonus and Allowances (Including Contribution to Provident Fund, Directors remuneration and perks)	2,236,803	2,066,795
Staff welfare expenses	3,182	16,870
	2,239,985	2,083,665



netriple's

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2008 (Rs.)	For the year ended 31st March, 2007 (Rs.)
SCHEDULE-15: ADMINISTRATIVE EXPENSES		
Rent	395,000	344,010
Rates, Taxes, & Licences	344,458	114,269
Travelling & conveyance	1,012,431	1,835,314
Communication Expenses	235,089	407,569
Computer peripherals & Consumables	35,926	31,896
Project Infrastructure and Networking Services	39,018,668	27,952,875
Printing, Stationery & Books	71,670	96,835
Power & Fuel	108,460	103,418
Advertisement Expenses	21,970	82,233
Project operating software, tools and software services	11,366,641	7,538,830
Marketing Expenses	349,236	485,352
Repairs & Maintenance :		
Plant & Machinery	2,304	10,467
Others	<u>16,008</u>	<u>22,103</u>
Office maintenance	53,128	47,099
Security Services	84,000	84,000
Legal & Professional Charges	102,468	8,880
Debit Balances written off	-	10,551
Project Consultancy Charges	10,709,778	8,577,003
Listing Fee	55,310	11,050
Directors sitting fee	9,500	7,500
FBT Tax	2,370	38,888
General expenses	6,920	5,293
Auditors Remuneration	60,610	60,610
Project Third party softawre integration & configuration services	13,812,400	13,299,681
Preliminary & Pre-operative account written off	416,991	463,323
Public Issue Expenses Written off	228,208	253,565
R & T & Custodian charges	23,877	34,445
Subscriptions & seminars, Membership fees	41,279	50,284
Vehicle Maintenance	21,579	32,497
Project Medical equipment & Device integration services	3,943,524	3,197,492
	<u>82,549,803</u>	<u>65,207,242</u>

SCHEDULE - 16 : FINANCIAL EXPENSES

Interest Charges	294,205	42,950
Bank Charges	2,807	7,332
Loan Processing Fee	56,120	29,590
	<u>353,132</u>	<u>79,872</u>



netripples

SCHEDULE 17: NOTES TO ACCOUNTS

1. Significant Accounting Policies:

BASIS OF ACCOUNTING

The company follows Mercantile System of Accounting and recognizes Income and Expenditure on accrual basis. Accounting Policies not otherwise referred are consistent with generally accepted accounting principles.

INVENTORIES

Finished software applications and products are valued at lower of cost or net realizable value. Software products/applications under development are stated at cost

REVENUE RECOGNITION

Revenue from Software Development is recognized on the basis of chargeable time or achievement of prescribed milestones as relevant to the contract. Revenue from sale of software products is recognized when sale has been completed.

FIXED ASSETS

Fixed assets are valued at cost less depreciation. Expenditure, which is of capital nature, is capitalized at a cost, which comprises of purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

DEPRECIATION

Depreciation has been provided for all assets on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.

FOREIGN CURRENCY TRANSLATIONS

All the Income items are accounted on the basis of exchange rate prevailing on the dates of transactions.

All the expenditure items are accounted on the basis of exchange rate prevailing on the dates of actually paid.

Exchange fluctuations arising on realization are dealt with in the Profit & Loss Account.

SEGMENT ACCOUNTING – BASIS OF PREPARATION

Segment assets and liabilities:

All segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, debtors, loans and advances and operating cash and bank balances.



Segment revenue and expenses:

Segment revenue and expense are directly attributable to the segment. It does not include interest income on term deposits, interest expense and provision for income tax.

INCOME TAXES

Deferred tax is charged to the Profit and Loss account for the year. Deferred Tax is measured on the basis of the tax rate and the tax laws enacted or substantially enacted at the Balance Sheet date. Deferred taxes are recognized for all timing differences of the current year.

RETIREMENT BENEFITS

Contribution to Provident Fund is accounted on accrual basis with corresponding payment to statutory provident fund.

1. Debit balances in Sundry Debtors, Loans and Advances, and credit balances in Sundry Creditors, unsecured loans are subject to reconciliation and confirmation. Pending such reconciliation and confirmations, adjustment, if any, is not currently ascertainable.
2. Finished software applications and products included in inventories to the extent of Rs. 4,29,84,258 are valued in accordance with the accounting policy adopted by the Company. In the opinion of the management, these finished software applications and products are expected to realize the value stated in the ordinary course of business.
3. Software applications and products in process included in inventories to the extent of Rs. 1,59,55,926/- are valued in accordance with the accounting policy adopted by the Company. In the opinion of the management, this work-in-process of software applications and products are expected to realize the value stated in the ordinary course of business.
4. In the Current year no provision has been made for taxation as the Company intends to opt for the exemption available under section 10B of the Income Tax Act, 1961 available for hundred percent export oriented units.
5. Loans & Advances includes Advances of Rs.30,05,000 given to Netripples.com Trust Foundation against Employee Stock Option Plan (ESOP) for which the company has not yet finalized the scheme of employee stock option as on balance



netripples

sheet date. In the opinion of the management, the scheme for employee stock option will be finalized in due course of time and adjusted these advances against ESOP.

6. Deferred tax is not calculated as the company is exempted from income tax. Deferred tax liability of Rs. 2,361,065 appearing in balance sheet is the carried forward balance of the preceeding years.
7. There is no outstanding amount in excess of Rs.1,00,000 due for more than 30 days to small-scale industrial undertakings.

8. Earnings Per Share (Rs.)

	2007-08	2006-07
Profit/(Loss) after taxation as per profit and loss account	8,61,482	17,50,216
Weighted Average Number of Equity Shares outstanding	68,16,900	68,16,900
Basic and diluted earning per share in Rs.	0.13	0.26

9. Segment Reporting :

The Company operates in two segments: Software products & Services, Application Software (Health Care) Summary of the two operating segments of the Company are:

Particulars				(Rs.)
	Application Software Health care	Software Products & Services	Unallocated	Year ended 31March,2008
Revenue				
Segment Revenue	4,33,14,636	2,59,88,783	1,78,08,973	8,71,12,392
Total	3,97,32,840	2,11,73,620	96,74,483	8,71,12,392
Result				
Segment Result	(1,04,92,182)	(62,95,309)	1,78,08,973	10,21,482
Total Result	(1,04,92,182)	(62,95,309)	1,78,08,973	10,21,482
Capital Employed				
Segment assets	2,31,22,694	5,66,10,735		7,97,33,429
Segment liabilities	(5,66,10,735)	(2,31,22,694)		(7,97,33,429)
Net Segment assets	(3,34,88,041)	3,34,88,041		-



10. Related Party Transactions

As per AS -18 issued by the Institute of Chartered Accountants of India, the Company's related parties in terms of AS - 18 are disclosed below:

Related Party:

M/s Netripples Healthcare Foundation

The Managing Director of the Company is also president of M/s Netripples Healthcare Foundation.

The Company's related party balances and transactions are summarized as follows:

(Rs.)

Nature of Transactions	Transactions for the		Balance	
	Year ended March 31		As at March 31	
	2008	2007	2008	2007
Receivables	Nil	Nil	1,73,322	Nil

11. Remuneration to the auditors:

(Rs.)

	Year ended March 31	
	2008	2007
Statutory Audit	44,080	44,080
Tax Audit	16,530	16,530

12. Contingent liabilities during the year Nil (previous year Nil)
13. The Company engaged in the development of computer software. The production and sale of such 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.



netripples

14. Particular II of Schedule VI to the Companies Act, 1956 to the extent Applicable:

PARTICULARS	2007-08	2006-07
	Rs.	Rs.
i. CIF Values of Import	Nil	Nil
ii. Expenditure in Foreign Currency	8,09,468	9,80,012
iii. Earnings in Foreign Currency	6,93,03,419	6,09,06,460
FOB Value of Export Software		
iv. Directors Remuneration:		
Salary:	96,000	96,000

15. Previous year's figures are regrouped/ rearranged wherever considered necessary to conform the current year figures.

The schedules referred to above form an integral part of the Balance Sheet and Profit and Loss Account

As per our report of even date for and on behalf of the Board of Directors

Bhaskar Rao K.V.

Partner

for and on behalf of

Bhaskar Rao K.V & Co

Chartered Accountants

Mazhar Pasha
Managing Director

Dr.K.Rajyalakshmi
Director

Place: Hyderabad

Date: 07.06.2008



netripples

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 ST MARCH, 2008

	(Rs.)	(Rs.)
	Year ended	Year ended
	31st March,2008	31st March,2007
A. Cash flows from Operating activities:		
Net Profit before interest and tax	1,660,148	2,134,060
Depreciation	947,990	1,143,247
(Increase)/Decrease in Sundry debtors	10,637,249	1,390,521
(Increase)/Decrease in Loans and Advances	77,691	194,241
(Increase)/Decrease in Inventories	(17,676,167)	(9,536,034)
(Increase)/Decrease in Current Liabilities	410,097	(385,654)
(Increase)/Decrease in Unsecured Loans	(159,587)	(56,342)
(Increase)/ Decrease in Secured Loans	(5,405,480)	216,601
Net Cash flow from Operating activities	(9,508,059)	(4,899,360)
B. Cash flows from Investing Activities:		
Purchase of Fixed assets	(248,364)	(136,772)
Net Cash used for investing Activities	(248,364)	(136,772)
C. Cash flows from Financing Activities:		
	—	—
Net Cash Flow from Financing Activities	0	—
D. Exchange Differences on Translation of Foreign0		
Currency Cash and Cash Equivalents		—
Net increase in cash & cash activities during the year (A+B+C+D)	(9,756,423)	4,762,588
Cash & Cash equivalents at the beginning of the period	255,145	4,507,443
Cash and Cash equivalent at the end of the year	336,022	255,145

Notes:

1. Cash and Cash equivalents consists cash on hand and balances with bank and F.D's
2. Previous figures have been regrouped, recasted and rearranged wherever necessary to conform to current year's classification

As per our report of even date for and on behalf of the Board of Directors

Bhaskar Rao K.V.

Partner

for and on behalf of

Bhaskar Rao K.V & Co

Chartered Accountants

Mazhar Pasha

Managing Director

Dr.K.Rajyalakshmi

Director

Place: Hyderabad

Date: 07.06.2008



1. **Registration Details:**
Registration No. 01-15760
Balance Sheet Date: 31.03.2008

2. **Capital raised during the year**
Public Issue: Nil
Right Issue: Nil
Bonus Issue Nil
Promoters & Others Nil

3. **Position of Mobilisation and Deployment of Funds**
(Amount in Rs..000)
Total Liabilities 79733
Total Assets 79733
Sources of Funds
Paid up Capital 68169
Reserves & Surplus 3524
Secured loans 5678
Un Secured loans 0
Application of Funds
Net Fixed assets 4365
Net Current Assets 69560
Investments Nil
Miscellaneous Expenditure 5806
Accumelated losses Nil

4. **Performance of Company (Amount in Rs.000)**
Turnover (Gross Revnue) 87112
Total Expenditure 86090
Profit/Loss before tax 1021
Tax 160
Profit/Loss after Tax 861
Earning per share 0.13
Dividend rate % Nil

5. **Product Description:**

Software Development/ Training Services

for and on behalf of the Board of Directors of Nitripples
Software Ltd.

Mazhar Pasha
Managing Director

Dr.K.Rajyalakshmi
Director

Place: Hyderabad
Date: 07.06.2008



NETRIPPLES SOFTWARE LIMITED

Regd.Office: 83/1, Srinigar Colony,
Panjagutta, Hyderabad-800 073.

Regd.Folio No.

No.of Shares held

PROXY FORM
Annual General Meeting 2007-2008

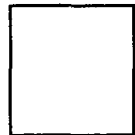
I/We, _____ of
_____ in The
dislet of _____ being a
Member/members of the above named Company, hereby appoint
Mr.Mrs.Ms. _____ in the desire
of _____ as my/our proxy to attend and vote for
me/us on my/our behalf at the 15th Annual General Meeting
of the Company to be held at Registered Office: 83/1,
Srinigar Colony, Panjagutta, Hyderabad-500 073 on
26-09-2008 at 11.00 AM and at any adjournment thereof.

Signed this the _____

Day of _____ 2008.

Address _____

Signature _____



Note: The proxy to be Valued has to be duly completed and must
be deposited at the Registered Office of the Company not less
than 48 hours before the type for holding the meeting. A proxy
need not be a member of the company.

NETRIPPLES SOFTWARE LIMITED

Regd.Office: 83/1, Srinigar Colony, Panjagutta, Hyderabad-800 073.

ATTENDANT SLIP

I hereby record my presence at the 15th Annual General
Meeting of the Company at Registered Office, 83/1, Srinigar
Colony, Panjagutta, Hyderabad-500 073 on 26-09-2008.

Name of the Share holder
(In block letters)

Signature

Folio No

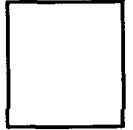
No. of Shares held

Name of the Shareholder
(In block letters)

Signature

(To be filled in the proxy attends instead of the member)

BOOK-POST
PRINTED MATTER



If undelivered, please return to:

NETRIPPLES SOFTWARE LIMITED

Regd. Office: 83/1, Srinagar Colony,
Panjagutta, Hyderabad-500 073.