

# SILICON VALLEY INFOTECH LIMITED

## 22nd Annual Report, 2005

### **BOARD OF DIRECTORS**

SHRI ARIHANT JAIN, *Managing Director*

SHRI SANTOSH KUMAR JAIN

SHRI R. KALYANARAMAN

MS. SUMATHI SRIDHARAN

### **COMPANY SECRETARY**

SHRI KAILASH CHANDRA JAISWAL

### **AUDITORS**

P. K. AJITSARIA & CO.

*Chartered Accountants*

### **BANKERS**

CANARA BANK

ABN AMRO BANK N. V.

### **REGISTERED OFFICE**

10, PRINCEP STREET

2ND FLOOR

KOLKATA - 700 072

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## **NOTICE**

**NOTICE** is hereby given that the 22nd Annual General Meeting of the Members of **Silicon Valley Infotech Limited** will be held at Jhajharia Committee Room of Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on **Thursday, 25th day of August, 2005 at 11.00 A.M.** to transact the following business :-

### **ORDINARY RESOLUTION :**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Santosh Kumar Jain, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint Auditors of the Company and to fix their remuneration.

### **SPECIAL BUSINESS :**

- 4) To consider and if thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution :

**"RESOLVED THAT** Shri R. Kalyanaraman, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 23/03/2005 and who holds office in terms of Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri R. Kalyanaraman as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 5) To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution :

**"RESOLVED THAT** Ms. Sumathi Sridharan, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 23/03/2005 and who holds office in terms of Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Ms. Sumathi Sridharan as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### **Registered Office :**

10, Princep Street,  
2nd Floor,  
Kolkata - 700 072

Dated : The 23rd day of May, 2005

By order of the Board

**For Silicon Valley Infotech Ltd.**

**Kailash Chandra Jaiswal**

Company Secretary

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Register of Beneficial Owners, Register of Members and the share transfer books of the Company will remain closed from **20th August, 2005** to **25th August, 2005** (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Registrars and Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. Members holding shares in physical form can avail of the nomination facility by filling Form 2B (in duplicate) with the Company or its Registrar & Transfer Agent which will be made available on request and in case of shares held in demat form, the nomination has to be lodged with their Depository Participant.
6. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

#### **ITEM NO. 4**

Shri R. Kalyanaraman was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd March, 2005 under Section 260 of the Companies Act, 1956. Shri R. Kalyanaraman continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257, the Company has received a notice from a member signifying his intention to propose Shri R. Kalyanaraman as a candidate for the office of Director of the Company and the requisite deposit of Rs. 500/- has also been received by the Company alongwith such notice. It is proposed that Shri R. Kalyanaraman will be liable to retire by rotation.

The Board is of the view that Shri R. Kalyanaraman's knowledge and experience will be of immense benefit and value to the Company and therefore, recommends his appointment to the shareholders.

None of the Directors, except Shri R. Kalyanaraman is, in any way, concerned or interested in the aforesaid resolution.

#### **ITEM NO. 5**

Ms. Sumathi Sridharan was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd March, 2005 under Section 260 of the Companies Act, 1956. Ms. Sumathi Sridharan continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257, the Company has received a notice from a member signifying his intention to propose Ms. Sumathi Sridharan as a candidate for the office of Director of the Company and the requisite deposit of Rs. 500/- has also been received by the Company alongwith such notice. It is proposed that Ms. Sumathi Sridharan will be liable to retire by rotation.

The Board is of the view that Ms. Sumathi Sridharan's knowledge and experience will be of immense benefit and value to the Company and therefore, recommends his appointment to the shareholders.

None of the Directors, except Ms. Sumathi Sridharan is, in any way, concerned or interested in the aforesaid resolution.

***Registered Office :***

10, Princep Street,  
2nd Floor,  
Kolkata - 700 072

Dated : The 23rd day of May, 2005

By order of the Board  
**For Silicon Valley Infotech Ltd.**  
**Kailash Chandra Jaiswal**  
Company Secretary

## DIRECTORS' REPORT

### *Dear Shareholders,*

Your Directors have pleasure in presenting the 22nd Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2005.

### 1. FINANCIAL HIGHLIGHTS :

The working results of the Company for the year stand as under :-

	(Rs.) Year ended 31.03.2005	(Rs.) Year ended 31.03.2004
Profit/(Loss) before Taxation	<b>2,47,00,460.64</b>	1,60,26,234.81
Less : Provision for Tax - Current	<b>18,44,432.00</b>	12,32,017.00
- Deferred	<b>71,74,491.00</b>	69,98,749.00
Profit/(Loss) after Taxation	<b>1,56,81,537.64</b>	77,95,468.81
Balance brought forward from previous year	<b>(1,65,84,317.72)</b>	(2,28,19,786.53)
Transfer to Reserve Fund	<b>31,36,308.00</b>	15,60,000.00
Provision for Taxation W/back for earlier year	<b>(1,15,716.00)</b>	—
Balance carried to Balance Sheet	<b>(39,23,372.08)</b>	(1,65,84,317.72)

### 2. DIVIDEND

In view of huge brought forward losses of the Company, the Directors have decided not to recommend any dividend for the year.

### 3. PERFORMANCE REVIEW

The performance of the Company during the current year has improved substantially in comparison to previous year. Your Directors are making all efforts to improve the performance of the Company further in current year.

### 4. DIRECTORS

Shri Prashant Jain was appointed as an Additional Director of the Company with effect from 11th December, 2004. He submitted his resignation and the same was accepted by the Board with effect from 24th March, 2005. The Board places on record its appreciation for the services rendered by him during the tenure of his Directorship with the Company.

Shri R. Kalyanaraman and Ms. Sumathi Sridharan were appointed as an Additional Directors of the Company with effect from 23rd March, 2005 and they vacate offices at the conclusion of ensuing Annual General Meeting. The Company has received a notice from a shareholder proposing them as the Directors of the Company.

Shri Shiv Kumar Luhariwala and Shri Niraj Kumar Jain submitted their resignations and the same were accepted by the Board with effect from 12th December, 2004. The Board places on record its appreciation for the services rendered by them during the tenure of their Directorship with the Company.

Shri Santosh Kumar Jain, retires by rotation and being eligible, offers himself for re-appointment.

## **5. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed :

- i) That in the preparation of the accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review ;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) That the Directors have prepared the annual accounts for the financial year ended 31st March, 2005 on a going concern basis.

## **6. AUDITOR'S REPORT**

All the items on which the Auditors have commented in their report are self-explanatory.

## **7. AUDITORS**

**M/s. P. K. Ajitsaria & Co.**, Chartered Accountants, Auditors of the Company, hold the office until the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Audit Committee of the Board recommends the re-appointment of M/s. P. K. Ajitsaria & Co. as Auditors of the Company for a further period of one year. Your Directors recommend their re-appointment.

## **8. EMPLOYEES**

None of the employees were in receipt of remuneration in excess of the limits specified under Section 217 (2A) of the Companies Act, 1956.

## **9. STATUTORY INFORMATION**

The Company being basically in the financial sector, requirement regarding the disclosures of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

## **10. CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, a report on corporate governance alongwith a certificate from the Auditors and Management Discussion & Analysis is enclosed as Annexure "A" and forms a part of this report.

### **11. DELISTING OF EQUITY SHARES FROM DELHI AND JAIPUR STOCK EXCHANGES**

The Equity Shares of the Company have been delisted from Jaipur Stock Exchange and Delhi Stock Exchange w.e.f. 31st day of March, 2005 as per the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003.

### **12. SUB-DIVISION OF SHARES**

The Company has sub-divided one equity share having a face value of Rs. 10/- each into 10 equity shares of Face Value of Re. 1/- each w.e.f. 18th day of February, 2005, after obtaining necessary approvals from the appropriate authorities.

### **13. AMALGAMATION**

The Board of Directors has decided to amalgamate M/s. Pentasoft Technologies Ltd., a Chennai Based Company w.e.f. 1st April, 2005 with the Company. As per the Share Valuation Report given by R. Swaminathan & Co., Chartered Accountants, Chennai and subject to the approval of the scheme of amalgamation by the respective Hon'ble High Courts of Calcutta and Chennai, the Shareholders of M/s. Pentasoft Technologies Ltd. would get one equity share of face value of Re. 1/- each of the Company for every two equity shares of face value of Rs. 10/- each held by them on a record date to be fixed later. The Company has filed the Scheme of Amalgamation with the Stock Exchanges with which the Company is listed. An application will be made in the Hon'ble Calcutta High Court after receiving no objection certificate from them and the necessary requirements under Section 391 to 394 will be complied accordingly.

### **14. EMPLOYER EMPLOYEE RELATIONSHIP**

The Company maintained a cordial relationship with its employees which resulted in smooth flow of business operations during the period under review.

### **15. FOREIGN EXCHANGE**

The Company has had no foreign exchange outflow or inflow during the year under review.

### **16. ACKNOWLEDGEMENTS**

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in us. Last but not the least, your Directors place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

#### ***Registered Office :***

10, Princep Street  
2nd Floor  
Kolkata - 700 072

Dated : The 23rd day of May, 2005

On behalf of the Board  
**For Silicon Valley Infotech Ltd.**

**ARIHANT JAIN**  
*Managing Director*

**SANTOSH KUMAR JAIN**  
*Director*

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's report on Corporate Governance :

### 1. CORPORATE GOVERNANCE PHILOSOPHY :

The Company is strongly committed to effective Corporate Governance. The Basic Philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

### 2. BOARD OF DIRECTORS :

#### (a) Composition of the Board

The Composition of the Board of Directors of the Company consists of qualified executive and non executive directors. The Board comprises of persons who have excelled in their respective areas having good standing.

The composition of the Board of Directors as at 31st March, 2005 is as follows :

Sr. No.	Name of Director	Executive/ Non-Executive	No. of other		
			Directorships+	Committee++	
				Chairman	Member
1	Sri Arihant Jain - M.D.	Executive	3	1	1
2	Sri Santosh Kumar Jain	Non-Executive	8	2	3
3	Sri R. Kalyanaraman #	Non-Executive & Independent	2	—	2
4	Ms. Sumathi Sridharan #	Non-Executive & Independent	4	—	2

# Appointed w.e.f. 23/03/2005.

+ Excluding Directorship held in Private Limited / Foreign Companies and companies incorporated under Section 25 of the Companies Act, 1956.

++ Represents Membership/Chairmanship of the Audit Committee, Compensation Committee and Shareholder's/Investor's Grievance Committee of other Companies.

#### (b) Changes in the composition of the Board of Directors since last Annual General Meeting :

Shri Shiv Kumar Luhariwala and Shri Niraj Kumar Jain resigned from the post of Director during the financial year under consideration. Shri Prashant Jain also resigned from the post of Directorship who was appointed as the Additional Director during the year. The Board appointed Shri R. Kalyanaraman and Ms. Sumathi Sridharan as Directors w.e.f. 23rd March, 2005.

Mr. R. Kalyanaraman, Director is a Graduate in Electrical & Electronic Engineering from Madras University. He has worked in BHEL from 1975 to 1993 in various fields including research & development, project management and ancillary development. He has presented several technical papers in various national conferences. He has also worked as a project consultant.

Ms. Sumathi Sridharan completed Master of Engineering in computer science in 1986 from Regional Engineering College, Trichy. She was in REC-Trichy as a Lecturer in the department of Computer

Science. She has over 19 years of professional experience in various fields such as Software Development Education & Training, Animation content production and marketing.

**(c) Board Meetings held in the Financial Year 2004-2005 and attendance of Directors :**

The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. During the year under review, 14 board meetings were held on 20/04/2004, 18/06/2004, 23/07/2004, 29/07/2004, 24/09/2004, 07/10/2004, 15/10/2004, 30/10/2004, 11/12/2004, 23/12/2004, 15/01/2005, 28/01/2005, 14/03/2005 and 23/03/2005.

Attendance of each Director at the Board of Directors meetings and the last Annual General Meeting :

Director	No. of Meetings		Attendance at last AGM - Held on 17th September, 2004
	Held	Attended	
Sri Arihant Jain - M.D.	14	14	No
Sri Santosh Kumar Jain	14	14	Yes
Sri Shiv Kumar Luhariwala	9	9	No
Sri Niraj Kumar Jain	9	9	No
Sri Prashant Jain	5	5	NA
Sri R. Kalyanaraman	1	—	NA
Ms. Sumathi Sridharan	1	—	NA

**(d) Details of sitting fees, remuneration etc. paid to Directors :**

The details of remuneration paid to the Managing Director of the Company during the year 2004-2005 are given below :

<u>S. No.</u>	<u>Name of the Director</u>	<u>Salary &amp; Perquisites (Rs.)</u>
1.	Shri Arihant Jain – Managing Director	3,36,000

**3. DIRECTORS' INTEREST IN THE COMPANY :**

Except Shri Arihant Jain and Shri Santosh Kumar Jain, no other director is related to any other director. None of the directors received any loan and advances from the Company during the year.

**4. COMMITTEES OF DIRECTORS :**

In accordance with requirements of the Listing Agreements with Stock Exchanges on Corporate Governance, following 2 committees were operational during the year :

- (a) Audit Committee
- (b) Shareholders' / Investors' Grievance Committee

**a. Audit Committee :**

The present Audit Committee of the Board of Directors fulfills the requirements of section 292(A) of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement. The Audit Committee of the Company consists of 3 Non-executive Directors out of which two are Independent Directors. 4 Audit Committee meetings were held during the Financial Year 2004-2005.

The composition of the Audit Committee and the attendance of each director at its meetings was as follows :

<b>Sr. No.</b>	<b>Members of Audit Committee</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
1	Shri R. Kalyanaraman # - Chariman	Nil	Nil
2	Shri Santosh Kumar Jain	4	4
3	Shri Niraj Kumar Jain *	3	3
4	Shri Shiv Kumar Luhariwala *	3	3
5	Shri Prashant Jain # and **	1	1
6	Ms. Sumathi Sridharan #	Nil	Nil

# Mr. Prashant Jain appointed w.e.f. 11.12.2004

# Mr. R. Kalyanaraman and Ms. Sumathi Sridharan appointed w.e.f. 23.03.2005

\* Mr. Niraj Kumar Jain and Shiv Kumar Luhariwala resigned w.e.f. 12.12.2004

\* Mr. Prashant Jain resigned w.e.f. 24.03.2005.

Audit Committee is responsible for reviewing with the management the annual financial statement before submission to the Board. The main function of Audit Committee is to supervise the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct.

**b. Shareholders' / Investors' Grievance Committee :**

The Company set up its **Shareholders' / Investors' Grievance Committee** in 2001. The Board of Directors of the Company has delegated the authority to approve transfer of shares to Shareholders' / Investors' Grievance Committee of the Company. The Committee deals with the various matters relating to :

- transfer / transmission of shares,
- issue of duplicate share certificate,
- review of shares dematerialised and all other related matters,
- monitors expeditious redressal of investors' grievances,
- all other matters related to shares.

One meeting of the Shareholders' / Investors' Grievance Committee was held during the financial year 2004-2005. The meeting was held on 18/02/2005.

The composition of the committee as at 31st March, 2005 stands as under :

<b>Sr. No.</b>	<b>Members of Transfer and Investors' Grievance Committee</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
1	Sri Santosh Kumar Jain - Chairman	1	1
2	Sri Prashant Jain *	1	1
3	Sri R. Kalyanaraman #	Nil	Nil
4	Ms. Sumathi Sridharan #	Nil	Nil

\* Resigned w.e.f. 24.03.2005, # Appointed w.e.f. 23.03.2005.

The status of investor complaint received during the year is as under :

No. of investor queries / complaints received during the year ended 31st March, 2005	Pending at the end of the year	No. of pending share transfers
NIL	NIL	NIL

#### REMUNERATION COMMITTEE

The Company has only one Managing Director on the Board, whose appointment and remuneration has been fixed by the Board and in terms of resolution passed by the members. In view of this, no Remuneration Committee was constituted.

#### 5. ANNUAL GENERAL MEETING :

Location and time of AGM held in last 3 years :

Year	Date	Place	Time
2004	17/09/2004	Jhajharia Committee Room, Merchants Chamber of Commerce 15B, Hemanta Basu Sarani Kolkata - 700 001	12.00 Noon
2003	10/09/2003	Jhajharia Committee Room, Merchants Chamber of Commerce 15B, Hemanta Basu Sarani Kolkata - 700 001	11.00 A.M.
2002	23/09/2002	"Kalakunj", 48, Shakespeare Sarani Kolkata - 700 071	12.00 Noon

**Whether special resolutions were put through postal ballot last year, details of voting pattern :**

No special resolutions were put through postal ballot last year, as the situation did not arise.

#### 6. DISCLOSURES :

##### (a) Disclosures on materially significant related party transactions

There were no materially significant related party transactions during the year having conflict with the interests of the Company.

##### (b) Details of Non-Compliance by the Company, penalties, structure imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets :

National Stock Exchange of India has suspended the shares of the Company since 16th February, 2000 due to non-compliance of certain clauses of the Listing Agreement. The Listing fee to Calcutta Stock Exchange (CSE) is pending for year 2004-05. The Company received an order of penalty from Securities Appellate Tribunal for the appeal against the SEBI Order under Rule 5(1) of SEBI (Procedure for holding enquiry and imposing penalties by adjudicating Officer) Rules, 1995 dated 26th February, 2003 and Company has paid it accordingly.

#### 7. MEANS OF COMMUNICATION :

The Board of Directors of the Company approves and takes on record un-audited financial results in the proforma prescribed by the stock exchange, within one month of the close of the quarter and

announces forthwith the results to all the stock exchanges where the shares of the Company are listed. Shareholders are intimated through print media of quarterly financial results and performance besides significant matters, within time period stipulated from time to time by stock exchanges. The quarterly Un-Audited Financial Results and Annual Audited Financial Results are published in a leading national newspaper and vernacular language newspaper.

**8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

The Management's Discussion and Analysis report forms part of the Director's Report which is posted to the Shareholders of the Company.

**9. GENERAL SHAREHOLDER'S INFORMATION :****1. Annual General Meeting**

Date & Time	25th August, 2005 at 11.00 A.M.
Venue	Jhajharia Committee Room, Merchants Chamber of Commerce 15B Hemanta Basu Sarani, Kolkata - 700 001

**2. The profile of Directors retiring by rotation/Additional Directors eligible for Re-appointment.**

Shri Santosh Kumar Jain, (Chartered Accountant), a Businessman having vast experience in the area of finance and other business activities retires by rotation and being eligible offers himself for re-appointment. He holds directorship in the following other Companies :-

Sl. No.	Name of Companies	Sl. No.	Name of Companies
1.	ATN International Ltd.	6.	Blue Chip India Ltd.
2.	Arihant Ltd.	7.	Whiteline Barter Ltd.
3.	Accord Tracon Ltd.	8.	Network Power Pvt. Ltd.
4.	Turnkey Commodities Ltd.	9.	Vikas Power Pvt. Ltd.
5.	Aastha Broadcasting Network Ltd.	10.	Indiaallinfo.com Ltd.

**3. Financial Calendar (Tentative)**

Financial reporting for the quarter ending June 30, 2005	End of July 2005
Financial reporting for the quarter ending September 30, 2005	End of October 2005
Financial reporting for the quarter ending December 31, 2005	End of January 2006
Financial reporting for the year ending March 31, 2006	End of June 2006
Annual General Meeting for the year ending March 31, 2006	Mid of September 2006

<b>4. Date of Book closure</b>	20th August, 2005 To 25th August, 2005 (both days inclusive)
<b>5. Dividend Payment Date</b>	No Dividend has been recommended by the Board
<b>6. Registered Office</b>	10, Princep Street, 2nd Floor, Kolkata - 700 072

<b>7. The Company's equity shares are listed on the stock exchanges located at</b>	<ul style="list-style-type: none"> <li>▫ <b>Mumbai (BSE) &amp; National</b></li> <li>▫ <b>Ahmedabad</b></li> <li>▫ <b>Kolkata</b></li> </ul> <p>(Listing fees has been paid to all Stock Exchanges for the year 2004-05 except Calcutta Stock Exchange)</p>
The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata-700 001	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051
The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 023	The Stock Exchange, Ahmedabad Kamdhenu Complex, Panjara Pole, Near Polytechnic Ahmedabad-380 015

**8. Stock Code :**

Name of the Exchange	Code
National Stock Exchange of India	PRASGLOFIN
The Stock Exchange, Mumbai	531738
ISIN Nos. for the Company's equity shares in Demat form	INE913A01024
Depositories Connectivity	NSDL and CDSL

**9. Stock Market Data :**

\* Market Price Data : High / Low during each month in last financial year :

Period	Mumbai Stock Exchange (BSE) (in Rs.)	
	High	Low
April - 04	111.00	48.65
May - 04	105.50	82.20
June - 04	98.75	73.80
July - 04	87.95	77.40
August - 04	78.00	65.05
September - 04	70.75	52.20
October - 04	49.60	25.00
November - 04	55.20	33.75
December - 04	49.00	40.30
January - 05	45.00	30.50
February - 05	47.55	4.80
March - 05	5.92	3.75

**10. Registrar and Transfer Agents :**

For Physical and Dematerialised Form	<b>Maheshwari Datamatics (P) Limited</b> 6, Mangoe Lane Kolkata - 700 001
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**11. Share Transfer System :**

The Company's shares being tradable in compulsory demat form are transferable through the depository system. Further as per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Maheshwari Datamatics (P) Limited, 6, Mangoe Lane, Kolkata - 700 001 has been appointed as Registrar for Shares held in physical as well as in Electronic Mode.

**12. Investor Services - Complaints received during the year :**

No investor complaint was received during the year.

**13. Distribution of shareholding as on 31st March, 2005 :**

No. of Equity shares held	No. of Shareholders holding shares in		No. of shares held		% age of equity capital held in	
	Physical Form	Demat Form	Physical Form	Demat Form	Physical Form	Demat Form
1 - 1,000	23	667	13400	391783	0.01	0.30
1,001 - 5,000	123	376	439000	1059671	0.38	0.82
5,001 - 10,000	47	166	447100	1464448	0.33	1.13
10,001 - 50,000	23	347	729000	8813921	0.56	6.79
50,001 - 1,00,000	13	80	1012000	6058270	0.77	4.67
1,00,001 and above	43	89	37631000	71620407	29.01	55.23
<b>Total</b>	<b>272</b>	<b>1725</b>	<b>40271500</b>	<b>89408500</b>	<b>31.06</b>	<b>68.94</b>

**14. Categories of shareholding as on 31st March, 2005 :**

No. of Equity Shares held	No. of share Holders	% of Share Holders	No. of Shares held	% share holding
Individuals	1742	87.2308	37515334	28.9290
Corporates	243	12.1684	78524685	60.5527
Promoters	8	0.4006	11609281	8.9523
FII's	1	0.0500	2027650	1.5636
NRI/OCBs	3	0.1502	3050	0.0024
<b>Total</b>	<b>1997</b>	<b>100</b>	<b>129680000</b>	<b>100</b>

Note : Both in physical & electronic form.

**15. Dematerialisation of Shares and Liquidity :**

Trading in the securities of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI).

**16. Details on use of public funds obtained in the last three years :**

No funds have been raised from the public in the last 3 years.

**17. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion data likely impact on equity .**

There are no GDR, ADR or any convertible instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

**18. Plant Locations :**

N.A.

**19. Investors Correspondence :**

For Investor's correspondence and queries, investors can write to the Company's Registered Office	The Company Secretary <b>SILICON VALLEY INFOTECH LTD.</b> 10, Princep Street, 2nd Floor, Kolkata - 700 072
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## **AUDITORS' CERTIFICATE**

To,  
The Members of  
**Silicon Valley Infotech Ltd.**

We have examined the compliance of conditions of Corporate Governance procedures implemented by **Silicon Valley Infotech Limited** for the year ended on March 31, 2005, as stipulated in Clause 49 of the listing agreement of the said Company with the various Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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.

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges have been complied with in all material respect by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

Place : Kolkata

Dated : 23rd day of May, 2005

**For P. K. AJITSARIA & CO.**  
*Chartered Accountants*  
**Pawan Kumar Ajitsaria**  
*Proprietor*

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Industry Structure and Development - Overview :**

The NBFC sector in India comprises of a combination of few large companies that have a nation wide presence and a large number of small and medium sized companies catering to the regional needs. In recent years, the NBFC sector is facing stiff competition from the Banks and Financial Institutions. Banks have an advantage of lower cost of funds, taking a big share in retail financing and providing a strong competition to NBFC's.

The fiscal 2004-2005 saw an upturn in the economy. GDP grew by 6% and BSE Sensex crossed the 6500 mark, which was an increase of about 50% from the previous year. The positive effect of the market reflected in your Company's performance. Your Company could improve its performance in comparison to earlier years.

### **Opportunities, Threats, Risks and Concerns :**

The economy is expected to achieve a 6.5% to 7% GDP growth rate in the current year. The increased thrust on the infrastructure sector, including power, roads, telecom etc. will continue to provide excellent investment opportunities in the future. Moreover, the growth of the service sector presents new opportunities for the financial services industry in India.

Your Company faces stiff competition from Banking companies due to their ability to grant loan at a considerably low rate of interest.

The Company has its own specific risks that are particular to its business and environment within which it works including fluctuation of interest rates, economic cycle etc. Your Company manages this risk by maintaining prudent and commercial business practices.

### **Future Outlook :**

Your Company intends to invest in business related to infrastructure, telecommunication etc. in the coming years since it sees good prospects in these areas. It would definitely try to establish itself as a strong player in the finance industry. The Board of Directors of the Company has decided to amalgamate M/s. Pentasoft Technologies Ltd., a Chennai Based Company. The Board of Directors of the Company expects that after merger with M/s. Pentasoft Technologies, it would benefit the Company in the terms of following :

- In-organic growth in IT segment to take advantage of current business growth opportunities, in addition to our concentration in power, financial management sectors.
- Once Pentasoft brings in the expertise to handle IT jobs, many overseas contacts are keen in outsourcing IT jobs including major BPO contacts.
- Would leverage Pentasoft's expertise to participate in Major IT initiatives taken by the State Government in software development and training segments.
- Utilising the well established products.

### **Internal Control systems and their adequacy :**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure :

**MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)**

- That all assets and resources are used efficiently and are adequately protected ;
- That all internal policies and statutory guidelines are complied with in letter & spirit ;
- The accuracy and timing of financial reports and management information.

**Financial operational performance :**

Please refer Boards' Report on performance review.

**Material Development in Human Resources / Industrial Relations front number of people employed :**

The Company believes that people are the key ingredient to the success of an organization. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The Company recognizes the importance and contribution of its Human resources for its growth and development and is committed to the development of its people.

**Cautionary statement :**

Statement in the Management's Discussion and Analysis describing the Company's projections estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company can not guarantee that these assumptions and expectations are accurate or will be realised. Actual results may differ materially from such estimates, projections etc. whether express or implied.

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF SILICON VALLEY INFOTECH LTD.**

We have audited the attached Balance Sheet of **SILICON VALLEY INFOTECH LTD.** as at 31st March, 2005 and also the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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 a reasonable basis for our opinion.

Further, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
2. In our opinion, proper books of accounts, as required by Law, have been kept by the Company, so far as appears from our examination of those books ;
3. The Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account ;
4. In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement 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 ;
5. On the basis of the written representations received from the directors, as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2005.
  - b. In the case of the Profit & Loss Account, of the profit for the year ended on that date.
  - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

**For P. K. AJITSARIA & CO.**  
*Chartered Accountants*

**Pawan Kumar Ajitsaria**  
*Proprietor*  
M. N. 53109

Place : Kolkata

Dated : The 23rd day of May, 2005

**(Referred to in Paragraph 7 of our Report of even date on the Accounts of  
Silicon Valley Infotech Ltd. as on 31.03.2005)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) Fixed Assets have been physically verified by the management of the Company during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets.  
(c) There was no substantial disposal of fixed assets during the year, which would affect the going concern of the Company.
2. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and according to the information and explanation given to us, and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.  
(b) The Company has taken loan from one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 5,15,000/- and the year end balance of loans taken from them was Nil.  
(c) We are of the opinion that the rate of interest and other terms & conditions of the loan taken is not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 :  
(a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.  
(b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and materials of special nature for which alternate quotations are not available, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public and therefore, the provisions of the Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules thereunder are not applicable to the Company.
7. In absence of any Internal Audit Report, we are not in a position to state whether internal audit system commensurate with the size and the nature of its business.

8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the company.
9. According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
10. The Company has accumulated losses of Rs. 39,23,372/- as at the end of the year. However, the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has defaulted in the repayment of dues to financial institutions amounting to Rs. 2,90,59,000/- and interest thereon.
12. According to 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.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
14. (a) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper record of the transactions and contracts of dealing in shares, securities, debentures and other investments and that timely entries have been made in these records.  
(b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and securities have been held by the Company, in its own name except to the extent of the exemption, if any under section 49 of the Act.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained.
17. We have been informed by the management that no funds have been raised and used and hence clause (xvii) is not applicable.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based on information and explanation furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the year.

**For P. K. AJITSARIA & CO.**  
*Chartered Accountants*

**Pawan Kumar Ajitsaria**  
*Proprietor*

M. N. 53109

Place : Kolkata

Dated : The 23rd day of May, 2005

**BALANCE SHEET As At 31st March, 2005**

	Schedule	As at 31st March, 2005	As at 31st March, 2004
<b>SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUND</b>			
a) Share Capital	A	12,96,80,000.00	12,96,80,000.00
b) Reserve & Surplus	B	13,18,18,808.00	12,86,82,500.00
<b>2. LOAN FUNDS</b>			
a) Secured Loans	C	2,90,59,000.00	2,90,59,000.00
<b>3. DEFERRED TAX LIABILITIES</b>			
		57,01,462.00	—
		<b>29,62,59,270.00</b>	<b>28,74,21,500.00</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS (AT COST)</b>			
a) Gross Block	D	4,85,68,490.65	4,85,68,490.65
b) Less : Depreciation		2,50,77,965.90	2,25,55,634.70
c) Net Block		<b>2,34,90,524.75</b>	<b>2,60,12,855.95</b>
<b>2. DEFERRED TAX ASSETS</b>			
		—	14,73,029.00
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>a) CURRENT ASSETS</b>			
i) Stock in Trade	E	25,06,35,202.45	20,33,41,071.60
ii) Sundry Debtors	F	44,17,855.00	1,58,03,282.00
iii) Cash & Bank Balances	G	3,47,933.33	90,344.23
iv) Other Current Assets	H	42,68,721.49	9,06,195.38
<b>b) LOANS &amp; ADVANCES</b>			
	I	2,60,51,385.00	3,44,17,948.00
		<b>28,57,21,097.27</b>	<b>25,45,58,841.21</b>
<b>4. LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
a) Current Liabilities	J	1,47,47,006.10	1,00,17,576.63
b) Provisions	K	21,28,718.00	15,16,303.00
		<b>1,68,75,724.10</b>	<b>1,15,33,879.63</b>
<b>NET CURRENT ASSETS</b>			
		<b>26,88,45,373.17</b>	<b>24,30,24,961.58</b>
<b>5. MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)	L	—	3,26,335.75
<b>6. Profit &amp; Loss A/C (Dr.)</b>			
		<b>39,23,372.08</b>	<b>1,65,84,317.72</b>
		<b>29,62,59,270.00</b>	<b>28,74,21,500.00</b>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	S		

As per our Report of even date  
For P. K. AJITSARIA & CO.  
Chartered Accountants

ARIHANT JAIN  
Managing Director

Place : Kolkata

Dated : 23rd day of May, 2005

PAWAN KUMAR AJITSARIA  
Proprietor

KAILASH CH. JAISWAL  
Secretary

SANTOSH KUMAR JAIN  
Director

**PROFIT & LOSS ACCOUNT for the year ended 31st March, 2005**

	Schedule	For the year ended 31st March, 2005	For the year ended 31st March, 2004
<b>INCOME</b>			
Sale of Shares		<b>36,38,72,997.87</b>	19,54,07,079.79
Interest & Dividend	<b>M</b>	<b>12,15,039.34</b>	5,24,483.10
Other Income	<b>N</b>	<b>35,72,333.92</b>	3,39,171.44
Increase/(Decrease) in Stock	<b>O</b>	<b>4,72,94,130.85</b>	8,91,04,731.37
		<b>41,59,54,501.98</b>	28,53,75,465.70
<b>EXPENDITURE</b>			
Purchase of Shares		<b>38,61,58,329.26</b>	25,45,03,337.09
Employment Expenses	<b>P</b>	<b>9,25,844.00</b>	8,29,238.00
Administrative & Other Expenses	<b>Q</b>	<b>13,21,201.13</b>	1,10,74,638.80
		<b>38,84,05,374.39</b>	26,64,07,213.89
<b>Profit Before Non Cash Charges</b>		<b>2,75,49,127.59</b>	1,89,68,251.81
<i>Less</i> : Non Cash Charges	<b>R</b>	<b>28,48,666.95</b>	29,42,017.00
<b>Profit Before Tax</b>		<b>2,47,00,460.64</b>	1,60,26,234.81
<i>Less</i> : Provision for Tax - Current Tax		<b>18,44,432.00</b>	12,32,017.00
- Deferred Tax		<b>71,74,491.00</b>	69,98,749.00
<b>Profit After Tax</b>		<b>1,56,81,537.64</b>	77,95,468.81
Balance brought forward from previous year		<b>(1,65,84,317.72)</b>	(2,28,19,786.53)
<b>Surplus available for Appropriation</b>		<b>(9,02,780.08)</b>	(1,50,24,317.72)
<b>APPROPRIATIONS</b>			
Transfer to Reserve Fund		<b>31,36,308.00</b>	15,60,000.00
Provision for Taxation W/back for earlier year		<b>(1,15,716.00)</b>	—
Balance carried to Balance Sheet		<b>(39,23,372.08)</b>	(1,65,84,317.72)
		<b>(9,02,780.08)</b>	(1,50,24,317.72)
<b>Significant Accounting Policies &amp; Notes on Accounts</b> <b>S</b>			
<b>Basic Earning per Share</b>		<b>0.12</b>	0.60
<b>Diluted Earning per Share</b>		<b>0.12</b>	0.60
<b>Face Value per Share</b>		<b>Re. 1/-</b>	Rs. 10/-

Place : Kolkata

Dated : 23rd day of May, 2005

As per our Report of even date  
For **P. K. AJITSARIA & CO.**  
*Chartered Accountants*

**PAWAN KUMAR AJITSARIA**  
*Proprietor*

**KAILASH CH. JAISWAL**  
*Secretary*

**ARIHANT JAIN**  
*Managing Director*

**SANTOSH KUMAR JAIN**  
*Director*

**CASH FLOW STATEMENT**

<b><u>DESCRIPTION</u></b>	<b>Year ended 31st March, 2005 (Rs.)</b>	<b>Year ended 31st March, 2004 (Rs.)</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Interest, Taxes & Extraordinary Items	<b>2,48,35,337.64</b>	1,59,78,105.81
<i>Adjustments for :</i>		
Loss on sale of Fixed Assets	—	1,64,056.29
Provision for Taxation Written Back	<b>1,15,716.00</b>	—
Provision for Taxation	<b>(12,32,017.00)</b>	—
Depreciation	<b>25,22,331.20</b>	25,85,482.00
Depreciation provided relating to earlier year	—	73,18,080.00
Preliminary & Public Issue Expenses written off	<b>3,26,335.75</b>	3,56,535.00
<b>Operating Profit before Working Capital Changes</b>	<b>2,65,67,703.59</b>	2,64,02,259.10
<i>Changes in :-</i>		
Inventories	<b>(4,72,94,130.85)</b>	(8,91,04,731.37)
Sundry Debtors	<b>1,13,85,427.00</b>	6,58,18,356.85
Other Current Assets	<b>(33,62,526.11)</b>	60,65,246.00
Loans & Advances	<b>83,66,563.00</b>	(74,54,059.36)
Trade & Other Payables	<b>47,29,429.47</b>	(20,14,703.69)
<b>Net Cash from Operating Activities (A)</b>	<b>3,92,466.10</b>	(2,87,632.47)
<b>B. Cash Flow from Investing Activities</b>		
Interest Received	<b>48,000.00</b>	48,129.00
Sale of Fixed Assets	—	1,76,000.00
<b>Net Cash Flow from Investing Activities (B)</b>	<b>48,000.00</b>	2,24,129.00
<b>C. Cash Flow from Financing Activities</b>		
Loan from Bank	<b>(1,82,877.00)</b>	—
<b>Net Cash from Financing Activities (C)</b>	<b>(1,82,877.00)</b>	—
<b>Net Increase in Cash and Cash Equivalent (A+B+C)</b>	<b>2,57,589.10</b>	(63,503.47)
<b>Cash and Cash Equivalent (Opening Balance)</b>	<b>90,344.23</b>	1,53,847.70
<b>Cash and Cash Equivalent (Closing Balance)</b>	<b>3,47,933.33</b>	90,344.23

As per our Report of even date  
For P. K. AJITSARIA & CO.  
Chartered Accountants

**PAWAN KUMAR AJITSARIA**  
Proprietor

**ARIHANT JAIN**  
Managing Director

**KAILASH CH. JAISWAL**  
Secretary

**SANTOSH KUMAR JAIN**  
Director

Place : Kolkata

Dated : 23rd day of May, 2005

**Schedules forming part of the Balance Sheet and the Profit & Loss Account  
for the year ended 31st March, 2005**

	<u>As at 31st March, 2005</u>	<u>As at 31st March, 2004</u>
<b>SCHEDULE - A</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
13,00,00,000 (1,30,00,000) Equity Shares of Re. 1/- (10/-) each	<u>13,00,00,000.00</u>	<u>13,00,00,000.00</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
12,96,80,000 (1,29,68,000) Equity Shares of Re. 1/- (10/-) each	<u>12,96,80,000.00</u>	12,96,80,000.00
(Out of above 18,58,700 Equity Shares issued for consideration on Amalgamation of Elmostate Electron Ltd. and Arihant Investment Trust Ltd. and 23,58,700 Equity Shares of Rs. 10/- each issued as fully paid up Bonus Shares )		
	<u>12,96,80,000.00</u>	<u>12,96,80,000.00</u>
 <b>SCHEDULE - B</b>		
<b>RESERVE &amp; SURPLUS</b>		
Capital Reserve (On forfeiture of 4,11,500 Equity Shares)	<u>58,15,000.00</u>	58,15,000.00
Reserve Fund	<u>51,06,808.00</u>	19,70,500.00
Share Premium	<u>12,08,97,000.00</u>	12,08,97,000.00
	<u>13,18,18,808.00</u>	<u>12,86,82,500.00</u>
 <b>SCHEDULE - C</b>		
<b>SECURED LOANS</b>		
Loan from Rural Electrification Corporation Ltd. (A Govt. of India undertaking) - Secured against movable and immovable properties except book debts, both present and future in respect of Wind Power Project and guaranteed by one Director & one Ex-Director	<u>2,90,59,000.00</u>	2,90,59,000.00
	<u>2,90,59,000.00</u>	<u>2,90,59,000.00</u>

**SCHEDULE - D**

**FIXED ASSETS**

PARTICULARS	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K			
	BALANCE AS ON 01.04.2004	ADDITION DURING THE YEAR	DEDUC-TION DURING THE YEAR	BALANCE AS ON 31.03.2005	AS ON 01.04.2004	DURING THE YEAR	WRITTEN BACK DURING THE YEAR	AS ON 31.03.2005	AS ON 31.03.2005	AS ON 31.03.2004
LAND	13,68,000.00	—	—	<b>13,68,000.00</b>	—	—	—	<b>13,68,000.00</b>	—	13,68,000.00
COMPUTER	3,90,990.00	—	—	<b>3,90,990.00</b>	3,64,849.00	26,141.00	—	3,90,990.00	—	26,141.00
MOTOR CAR	5,86,923.65	—	—	<b>5,86,923.65</b>	2,19,948.29	55,757.80	—	2,75,706.09	<b>3,11,217.56</b>	3,66,975.36
OFFICE EQUIPMENTS	22,577.00	—	—	<b>22,577.00</b>	9,914.41	1,072.40	—	10,986.81	<b>11,590.19</b>	12,662.59
WIND POWER PROJECTS	4,62,00,000.00	—	—	<b>4,62,00,000.00</b>	2,19,60,923.00	24,39,360.00	—	2,44,00,283.00	<b>2,17,99,717.00</b>	2,42,39,077.00
<b>TOTAL</b>	<b>4,85,68,490.65</b>	<b>—</b>	<b>—</b>	<b>4,85,68,490.65</b>	<b>2,25,55,634.70</b>	<b>25,22,331.20</b>	<b>—</b>	<b>2,25,55,634.70</b>	<b>2,34,90,524.75</b>	<b>2,60,12,855.95</b>
PREVIOUS YEAR	4,95,45,571.65	—	9,77,081.00	4,85,68,490.65	1,32,89,097.41	99,03,562.00	6,37,024.71	2,25,55,634.70	<b>2,60,12,855.95</b>	—

**SCHEDULE - E**  
**STOCK IN TRADE**

NAME OF THE COMPANY	AS AT 31-03-2005			AS AT 31.03.2004		
	QUANTITY	AMOUNT RS.	P.	QUANTITY	AMOUNT RS.	P.
<b>QUOTED SHARES</b>						
Aastha Broadcasting Network Ltd.	13,500	41,850.00		1,350	15,309.00	
Advani Oerlikon Ltd.	—	—		5,500	1,46,575.00	
Ahmedabad Steel Ltd.	900	9,000.00		900	7,722.00	
Alstom Projects India Ltd.	—	—		1,055	1,18,371.00	
Apollo Finvest Ltd.	2,000	16,580.00		4,500	25,065.00	
Arcuttipore Tea Co Ltd.	26,600	66,500.00		26,600	2,66,000.00	
Arihant Ltd.	47,300	4,73,000.00		47,300	4,73,000.00	
Arvind Mills Ltd.	492	21,470.88		503	21,950.92	
Ashapura Minechem Ltd.	—	—		3,193	3,12,594.70	
Ashima Syntex Ltd.	—	—		1,11,718	12,84,757.00	
Asia Pacific Finance Serv Ltd.	34,000	44,200.00		34,000	44,200.00	
Asian Hotel Ltd.	—	—		5,057	8,10,171.22	
Asian Tea & Exports Ltd.	200	2,000.00		200	750.00	
Associated Cement Co Ltd.	6,500	16,62,666.41		10,500	26,73,825.00	
ATN International Ltd.	19,37,017	59,07,901.85		36,87,700	86,66,095.00	
Atul Products Ltd.	50	3,148.17		43,074	13,99,905.00	
Avon Mercantile Ltd.	18,000	41,400.00		18,000	41,400.00	
Ballarpur Industries Ltd.	—	—		713	47,200.60	
Bata India Ltd.	—	—		3,500	1,67,399.40	
Batliboi Ltd.	—	—		1,850	24,512.50	
Bharat Bijlee Ltd.	—	—		650	3,48,985.72	
Bharat Hotels Ltd.	—	—		11,848	3,32,454.88	
Birla VXL Ltd.	1,185	4,479.87		1,185	4,479.87	
Blue Chip India Ltd.	17,23,738	71,95,543.18		14,23,738	50,50,543.18	
Blue Dart Express Ltd.	—	—		2,479	3,10,990.55	
BOC India Ltd.	500	31,557.50		3,239	1,16,610.38	
Carnation Industries Ltd.	2,200	13,657.60		2,200	9,020.00	
Cholamandalam Invest & Fin Ltd.	15,050	11,86,692.50		15,050	9,36,110.00	
CMS Infotech Ltd.	20,50,000	53,30,000.00		20,50,000	48,17,500.00	
Consolidated Finvest Ltd.	1,444	58,193.20		—	—	
Crest Communication Ltd.	—	—		48,401	16,23,853.55	
D S Q Biotech Ltd.	—	—		150	570.00	
DB International Ltd.	300	1,830.00		300	1,698.00	
Dharani Sugar & Chem Ltd.	100	658.00		100	460.00	
East West Travels & Tradelinks Ltd.	7,100	10,650.00		7,100	10,650.00	
EIH Ltd.	—	—		14,346	39,15,023.40	
Elbee Services Ltd.	—	—		1,500	6,360.00	
Electrolux Kelvinator Ltd.	100	928.00		10,505	1,03,999.50	
Electrosteel Casting Ltd.	2,000	3,90,070.00		2,000	3,90,070.00	
Emco Elecon India Ltd.	—	—		11,721	8,67,354.00	
Esab India Ltd.	5,000	6,19,763.05		87,534	43,67,946.60	
Essar Shipping Ltd.	600	15,170.98		31,191	5,86,390.80	
Essar Steels Ltd.	—	—		42,000	5,73,300.00	
Fedders Lloyd Corp. Ltd.	—	—		12,853	70,691.50	

**SCHEDULE - E (Contd.)**

NAME OF THE COMPANY	AS AT 31-03-2005			AS AT 31.03.2004		
	QUANTITY	AMOUNT RS.	P.	QUANTITY	AMOUNT RS.	P.
Fishing Falcon Ltd.	2,406	6,616.50		2,406	6,616.50	
G R Cables Ltd.	2,400	18,912.00		2,400	4,920.00	
Gati Corporation Ltd.	—	—		33,289	14,91,347.20	
Ginni Filaments Ltd.	50	463.71		50	427.50	
Global Trust Bank Ltd.	—	—		5,500	1,14,400.00	
Globe Soya Products Ltd.	2,20,000	7,70,000.00		2,20,000	7,70,000.00	
GMR Technologies Ltd.	2,100	52,500.00		2,100	48,090.00	
GTL Ltd.	10,000	8,09,000.00		10,000	8,09,000.00	
Gujarat Industrial Power Co.Ltd.	2,200	71,469.20		2,200	71,469.20	
Gujarat Opticals Communication Ltd.	2,800	1,680.00		2,800	980.00	
Hanil Era Textiles Ltd.	2,000	23,291.20		2,000	23,291.20	
Harringtons Industries Ltd.	88,800	1,37,640.00		88,800	1,37,640.00	
Hawa Engineers Ltd.	6,600	66,000.00		6,600	66,000.00	
HBLNife Power Systems Ltd.	—	—		22,320	5,12,244.00	
HCL Technologies Ltd.	1	168.71		1	168.71	
Henkel Spic India Ltd.	—	—		47,382	7,72,326.60	
Herald Commerce Ltd.	96,640	3,67,232.00		96,640	9,80,896.00	
Hindusthan Hardy Spicer Ltd.	1	11.07		1	11.07	
Hitachi Home & Life Solutions(I) Ltd.	893	30,674.55		10,000	2,17,000.00	
Hotel Leela Venture Ltd.	—	—		1,754	83,830.15	
IDBI Bank Ltd.	90	2,465.70		90	2,465.70	
India Foils Ltd.	400	5,776.00		400	2,640.00	
Indian Card Clothing Co. Ltd.	—	—		844	41,808.72	
Indian Hotels Co.Ltd.	—	—		4	1,069.60	
Indian Seamless Metal Tubes Ltd.	—	—		2,35,111	34,00,888.26	
Indo Count Industries Ltd.	1,900	27,265.00		1,900	9,975.00	
Indokem Ltd.	575	1,725.00		575	1,725.00	
Infotech Enterprise India Ltd.	—	—		2,200	2,45,080.00	
International Travel House Ltd.	—	—		1,000	51,950.00	
ION Exchange India Ltd.	—	—		1,42,372	39,22,348.60	
ITC Hotels Ltd.	—	—		30,329	37,55,077.09	
JCT Ltd.	—	—		77,001	3,11,854.05	
Jindal Photo Flims Ltd.	456	19,631.00		—	—	
Kakatiya Cement & indus. Ltd.	—	—		3,862	1,40,383.70	
Kale Consultants Ltd.	504	33,201.77		89,912	29,67,096.00	
Kalptaru Power Trans. Ltd.	2,200	1,54,000.00		2,200	1,44,540.00	
Kalyani Steels Ltd.	4,103	59,470.53		4,103	59,470.53	
Kamat Hotel (I) Ltd.	—	—		1,849	22,197.80	
KEC International Ltd.	—	—		2,500	1,87,000.00	
Khatau Junkers Ltd.	250	5,125.00		250	5,125.00	
Kitply Industries Ltd.	47	453.08		47	178.60	
Kosha Cobidor Container Ltd.	2,500	2,750.00		2,500	2,750.00	
Kothari Global Ltd.	100	350.00		100	350.00	
Lanco Industries Ltd.	—	—		1,174	13,606.66	
LCC Infotech Ltd.	20,66,000	35,12,200.00		4,39,700	11,43,220.00	
Leafin India Ltd.	500	1,650.00		500	1,650.00	

**SCHEDULE - E (Contd.)**

NAME OF THE COMPANY	AS AT 31-03-2005			AS AT 31.03.2004		
	QUANTITY	AMOUNT RS.	P.	QUANTITY	AMOUNT RS.	P.
Libra Filaments Ltd.	1,100	1,650.00		1,100	1,650.00	
Lotus Chocolate Co. Ltd.	—	—		1,000	3,710.00	
Lynx India Ltd.	22,300	66,900.00		22,300	66,900.00	
M S Shoes East Ltd.	98	4,949.00		98	4,949.00	
Madhusudan Industries Ltd.	200	1,562.00		200	1,082.00	
Mahalaxmi Seamless Ltd.	900	9,000.00		900	4,770.00	
Mahindra Suitings Ltd.	700	1,400.00		700	3,437.00	
Mahindra Ugine Steel Ltd.	—	—		500	9,825.00	
Maikaal Fibres Ltd.	—	—		200	179.91	
Mangalam India Ltd.	1,000	33,000.00		1,000	33,000.00	
Marson's Ltd.	7,50,000	12,00,000.00		1,50,000	4,27,500.00	
Mideast India Ltd.	300	90.00		300	90.00	
Midland Plastics Ltd.	800	2,416.00		800	496.00	
Midpoint Software Ltd.	600	840.00		600	840.00	
Modi Alkalies & Chemicals Ltd.	1,229	1,659.15		1,229	1,659.15	
Modi Telefibres Ltd.	2,750	2,200.00		2,750	2,200.00	
Mrinal Texturising Ltd.	600	5,700.00		600	5,700.00	
Mukand Ltd.	200	5,205.00		4,000	46,120.00	
Mukta Arts Ltd.	—	—		3,667	1,67,398.55	
Nagarjuna Fertilisers & Chem. Ltd.	—	—		1,39,094	10,08,431.50	
Nahar Exports Ltd.	5,317	2,20,895.30		4,617	1,34,354.70	
Nam Securities Ltd.	20,000	35,000.00		20,000	35,000.00	
Namokar Marketing Ltd.	3,750	4,875.00		3,750	4,875.00	
Namtech Electronics Devices Ltd.	—	—		2,700	10,935.00	
Narmada Agro Industries Ltd.	700	770.00		700	770.00	
NCL Industries Ltd.	—	—		740	4,336.40	
Nicholas Piramal India Ltd.	25	3,725.25		5	3,725.25	
NIIT Ltd.	100	15,746.00		200	31,492.00	
NIIT Technologies Ltd.	150	14,518.17		—	—	
Noida Medicare Centre Ltd.	2,600	15,600.00		3,100	3,410.00	
Orient Hotels Ltd.	—	—		23,151	18,17,995.63	
Pace Elcot Automation Ltd.	3,700	33,300.00		3,700	3,330.00	
Pankaj Agro Protinex Ltd.	1,000	500.00		1,000	500.00	
Pantaloon Retail Ltd.	1	65.31		1	65.31	
Pasupati Acrylon Ltd.	375	3,296.25		375	607.50	
Patel On-Board Cour. Ltd.	5,174	88,734.10		9,500	36,860.00	
Pearl Engineering Polymers Ltd.	10,000	74,700.00		10,000	32,400.00	
Pekon Electronics Ltd.	2,800	6,300.00		2800	6,300.00	
Pennar Profile Ltd.	800	2,240.00		800	2,200.00	
Pentamedia Graphics Ltd.	—	—		275	1,545.50	
Pentoky Organy (I) Ltd.	1,600	1,040.00		1,600	1,040.00	
Phoenix Lamp India Ltd.	900	13,330.05		1,400	20,735.63	
PIX Transmission Ltd.	4,800	48,000.00		6,800	34,000.00	
Polar Pharma India Ltd.	50	950.00		50	461.50	
Polytex India Ltd.	50,000	1,02,500.00		50,000	1,02,500.00	
Prag Bosimi Synthetics Ltd.	600	3,102.00		600	2,004.00	

**SCHEDULE - E (Contd.)**

NAME OF THE COMPANY	AS AT 31-03-2005			AS AT 31.03.2004		
	QUANTITY	AMOUNT RS.	P.	QUANTITY	AMOUNT RS.	P.
Praj Industries Ltd.	—	—	—	2,545	2,49,028.25	—
Prakash Industries Ltd.	60	120.00	—	60	120.00	—
Precision Wires Ltd.	100	1,700.00	—	100	1,700.00	—
Premier Plantation Ltd.	2,200	17,600.00	—	2,200	17,600.00	—
Premier Protein Ltd.	1,200	1,200.00	—	1,200	1,200.00	—
Preyanshu Exports Ltd.	11,000	8,800.00	—	11,000	8,800.00	—
Prime Petro Products Ltd.	1,700	5,100.00	—	1,700	5,100.00	—
Pritish Nandi Communication Ltd.	—	—	—	8,150	2,95,065.46	—
Priyadarshini Spinning Mills Ltd.	1,250	36,625.00	—	1,250	6,375.00	—
Protchem Industries India Ltd.	850	935.00	—	850	935.00	—
Protech Circuit Breaker Ltd.	3,000	18,000.00	—	3,000	18,000.00	—
Protech Electromech Ltd.	3,700	8,325.00	—	3,700	8,325.00	—
Prudential Capital Markets Ltd.	500	1,050.00	—	500	1,050.00	—
PSL Holdings Ltd.	—	—	—	1,070	75,702.50	—
Punjwani Packaging Ltd.	800	4,800.00	—	800	4,800.00	—
Purvanchal Leasing Ltd.	8,000	16,000.00	—	8,000	16,000.00	—
Raasi Cements Ltd.	800	34,448.00	—	800	34,448.00	—
Rain Calcining Ltd.	—	—	—	7,000	1,14,450.00	—
Rajasthan Spining Mills Ltd.	—	—	—	8,150	2,66,125.55	—
Ram Leather Exports Ltd.	400	500.00	—	400	500.00	—
Ramco Systems Ltd.	—	—	—	908	1,81,600.00	—
Rasand Eng India Ltd.	—	—	—	12,336	1,79,783.63	—
Raymond Ltd.	412	90,328.04	—	412	46,913.56	—
Recon Ltd.	700	18,480.00	—	700	7,014.00	—
Restile Ceramics Ltd.	3,900	36,855.00	—	3,900	16,419.00	—
Rockwool (India) Ltd.	1,100	5,500.00	—	1,100	1,419.00	—
S S Organics Ltd.	1,200	12,000.00	—	1,200	12,000.00	—
Schlafhorst Engg. ( I ) Ltd.	4,550	26,281.33	—	—	—	—
S. Kumar Synfab Ltd.	—	—	—	7,599	33,055.65	—
Sakthi Sugar Mills Ltd.	—	—	—	571	13,104.45	—
Samtel India Ltd.	—	—	—	21,718	2,38,680.82	—
Shrachi Securities Ltd.	7,340	1,37,625.00	—	7,340	19,230.80	—
Shriyam Securities & Finance Ltd.	11,900	59,500.00	—	11,900	59,500.00	—
SPIC Ltd.	—	—	—	1,34,652	10,03,157.40	—
SPS Steel Rolling Mills Ltd.	7,50,000	75,00,000.00	—	7,50,000	75,00,000.00	—
SRG Infotech India Ltd.	4,12,000	4,03,760.00	—	4,67,000	3,03,550.00	—
Steel Authority of India Ltd.	1,051	46,758.99	—	1,148	37,080.40	—
Stifel Und Schuh (India) Ltd.	3,200	6,400.00	—	3,200	6,400.00	—
Subhash Projects & Marketing Ltd.	6,500	61,727.75	—	1,300	53,170.00	—
Sunflag Iron & Steel Ltd.	—	—	—	10,000	70,300.00	—
Suraj Securities Ltd.	17,800	1,61,980.00	—	17,800	1,61,980.00	—
Surana Telecom Ltd.	22,000	5,59,900.00	—	—	—	—
Swastik Roofing Ltd.	1,250	37,500.00	—	1,900	34,010.00	—
Switching Tech Gunther Ltd.	—	—	—	200	2,170.00	—
Taneja Aerospace & Aviation Ltd.	3,200	19,490.14	—	2,15,815	5,82,700.50	—
Tata Elxsi Ltd.	—	—	—	5,582	4,42,652.60	—

**SCHEDULE - E (Contd.)**

NAME OF THE COMPANY	AS AT 31-03-2005			AS AT 31.03.2004		
	QUANTITY	AMOUNT RS.	P.	QUANTITY	AMOUNT RS.	P.
Tatia Intimate Exports Ltd.	3,700	3,700.00		3,700	3,700.00	
Terry Gold (India) Ltd.	8,200	9,020.00		8,200	9,020.00	
Thiru Aroogan Sugar Ltd.	—	—		24,631	7,38,930.00	
Transport Corporation of India Ltd.	—	—		500	17,535.00	
TTK Healthcare Ltd.	—	—		600	10,978.04	
Twenty First Century India Ltd.	950	13,102.02		950	6,365.00	
Udaipur Cotton Mills Ltd.	2,700	5,940.00		2,700	5,940.00	
Unified Agro Industries (I) Ltd.	1,800	9,000.00		1,800	9,000.00	
United Breweries Ltd.	—	—		300	29,025.00	
Universal Media Network Ltd.	2,000	500.00		2,000	500.00	
Usha Martin Infotech Ltd.	—	—		8,733	14,496.78	
Usha Martin Ltd.	—	—		16,437	6,22,140.45	
Vijayshree Capital & Finance Ltd.	4,600	4,600.00		4,600	4,600.00	
Vogue Textiles Ltd.	2,500	12,675.00		2,500	5,000.00	
Whirlpool Of India Ltd.	—	—		4,500	92,475.00	
Wintac Ltd.	700	6,370.00		700	6,370.00	
Zenith Computers Ltd.	—	—		7,311	1,29,475.87	
Zensar Technologies Ltd.	—	—		2,002	1,57,457.30	
Zodiac Clothing Co. Ltd.	—	—		48	9,086.35	
	<b>1,06,20,424</b>	<b>4,07,60,588.06</b>		<b>1,16,95,939</b>	<b>8,16,21,666.60</b>	
<b>UNQUOTED SHARES</b>						
Accord Tracon Ltd.	63,950	47,11,836.00		20,450	3,62,000.00	
Acknowledge Millen.Science.P.L.	2,000	1,00,000.00		—	—	
Alkon Trading Ltd.	11,500	1,15,000.00		15,000	1,50,000.00	
Aminex Projects Pvt. Ltd.	48,400	7,01,800.00		70,000	10,15,000.00	
Anjali Credit Pvt. Ltd.	—	—		12,000	6,00,000.00	
Anmol Tradelink Pvt. Ltd.	—	—		10,000	5,00,000.00	
Aristro Projects Ltd.	—	—		45,650	29,22,500.00	
B.R. Alloys Pvt. Ltd.	—	—		20,000	10,00,000.00	
Bhairav Tradelink Ltd.	22,000	22,00,000.00		2,33,300	23,33,000.00	
Bicharsil Traders Ltd.	1,17,450	1,16,59,500.00		950	9,500.00	
Brijwasi Tobacco Pro Pvt. Ltd.	—	—		22,000	11,00,000.00	
Bullpower Vyapar Ltd.	67,500	49,04,550.00		20,500	2,05,000.00	
Cascade Dealcom Pvt.Ltd.	19,800	19,80,000.00		61,400	61,40,000.00	
Celeste Merchandise Ltd.	9,000	90,000.00		27,000	2,70,000.00	
Champak Niketan Pvt. Ltd.	—	—		10,000	5,00,000.00	
Chandan Sales Pvt. Ltd.	3,000	3,00,000.00		—	—	
Classic Share Dealers Ltd.	3,00,000	30,00,000.00		—	—	
Deesha Vyapaar Pvt. Ltd.	1,400	1,40,000.00		—	—	
Deepmala Dealers Ltd.	—	—		1,500	1,50,000.00	
Dhansafal Vyapar Pvt Ltd.	—	—		29,000	21,80,000.00	
Dibyajyoti Trade & Comm. Pvt Ltd.	2,45,000	1,19,90,000.00		1,67,000	41,90,000.00	
Future Zone Entertainment P. Ltd.	—	—		10,000	10,00,000.00	
Godawari Commerce Pvt. Ltd.	8,750	87,500.00		—	—	

**SCHEDULE - E (Contd.)**

NAME OF THE COMPANY	AS AT 31-03-2005			AS AT 31.03.2004		
	QUANTITY	AMOUNT RS.	P.	QUANTITY	AMOUNT RS.	P.
Gurupath Merchandise Ltd.	1,02,300	52,68,000.00		4,11,500	41,15,000.00	
Hanurang Projects Pvt Ltd.	32,000	32,00,000.00		77,850	73,35,000.00	
Heritage Promo & Estates Pvt Ltd.	—	—		20,000	10,00,000.00	
Indo Invest Vision Pvt Ltd.	2,93,000	81,50,000.00		2,39,500	28,00,000.00	
Jagdamba Saree Pvt Ltd.	—	—		50,000	5,00,000.00	
Jeet Vanijya Ltd.	18,800	18,80,000.00		36,000	36,00,000.00	
JMD Sound Ltd.	15,000	1,50,000.00		—	—	
K D Liquor & Fert Pvt Ltd.	5,000	50,000.00		1,40,000	14,00,000.00	
Khetan Trexcon Pvt. Ltd.	80,000	40,00,000.00		—	—	
Lakdawala Realtors Pvt. Ltd.	2,00,000	20,00,000.00		—	—	
Luhariwala Fin & Inv. Co Ltd.	—	—		100	40,000.00	
Majestic Bottlers Pvt Ltd.	2,90,000	29,00,000.00		1,40,000	14,00,000.00	
Mangalmayee Garments Pvt. Ltd.	1,24,000	1,24,00,000.00		31,300	31,30,000.00	
Modern Power Pvt Ltd.	68,550	6,85,500.00		68,550	6,85,500.00	
Nandan Mercantile Pvt. Ltd.	—	—		10,000	10,00,000.00	
Nathoo Commodities Pvt. Ltd.	—	—		10,000	5,00,000.00	
Navltex Marketing (P) Ltd.	500	5,000.00		500	5,000.00	
Network Power Pvt Ltd.	2,18,500	41,65,000.00		1,98,500	21,65,000.00	
Noble Power Pvt Ltd.	—	—		7,500	75,000.00	
Ojas Suppliers Ltd.	—	—		7,000	70,000.00	
Ospray Commercial Pvt. Ltd.	23,000	23,00,000.00		—	—	
Pentafour Commercial Pvt Ltd.	—	—		4,000	2,00,000.00	
Prashant Impex Pvt. Ltd.	35,400	3,54,000.00		—	—	
R.S.Bokaro Metal Pvt. Ltd.	7,520	2,56,000.00		12,000	6,00,000.00	
Radico Trading Ltd.	3,48,370	47,30,864.60		3,37,370	36,32,000.00	
Rajnish Finvest Pvt. Ltd.	—	—		45,000	22,50,000.00	
Rangbarshi Projects Ltd.	—	—		5,800	5,80,000.00	
Raunak Tracon Pvt Ltd.	1,05,150	70,89,953.79		81,150	31,65,000.00	
Ricon Tie-up Ltd.	1,86,000	91,95,000.00		2,00,000	20,00,000.00	
Rubion Marketing Ltd.	1,14,000	77,55,000.00		40,500	4,05,000.00	
Rungta Art Processors Pvt. Ltd.	400	2,00,000.00		—	—	
Sabera Tradelink Pvt Ltd.	2,95,400	1,31,15,000.00		2,40,900	76,65,000.00	
Sadhana Towers Pvt Ltd.	—	—		10,000	5,00,000.00	
Saltlake Merchants Ltd.	92,000	37,10,000.00		15,000	1,50,000.00	
Saltlake Vyapar Ltd.	20,000	20,00,000.00		2,82,900	92,10,000.00	
Sapience Commodities Ltd.	1,35,000	28,80,000.00		1,35,000	28,80,000.00	
Sargam Tradelink Pvt. Ltd.	1,18,000	1,18,00,000.00		5,000	5,00,000.00	
Savera Traders Ltd.	44,200	11,80,000.00		2,76,000	27,60,000.00	
Shashi Invest & Finance Ltd.	—	—		35,000	3,50,000.00	
Sheetal Farms Ltd.	3,900	39,000.00		3,900	39,000.00	
Shivalik Consultants Pvt. Ltd.	—	—		10,000	5,00,000.00	
Skylark Commerce Pvt Ltd.	—	—		45,000	22,50,000.00	
Snapshot Tradelink Pvt. Ltd.	1,52,000	1,52,00,000.00		—	—	
Starpoint Management Pvt. Ltd.	16,000	16,00,000.00		—	—	
Subhash Credit Capital Ltd.	—	—		1,80,000	36,00,000.00	
Sudhanil Vanijya Ltd.	—	—		13,850	13,85,000.00	

**SCHEDULE - E (Contd.)**

NAME OF THE COMPANY	AS AT 31-03-2005			AS AT 31.03.2004		
	QUANTITY	AMOUNT RS.	P.	QUANTITY	AMOUNT RS.	P.
Sunny Dealers Ltd.	2,66,500	86,50,000.00		2,05,000	25,00,000.00	
Suryasakti Advisory Pvt. Ltd.	24,500	24,50,000.00		—	—	
Thunder Traders Ltd.	41,500	41,50,000.00		1,14,500	11,45,000.00	
Toplight Tradelink Pvt. Ltd.	33,500	16,75,000.00		—	—	
Turnkey Commodities Ltd.	2,48,000	39,20,000.00		2,35,000	26,20,000.00	
Twinkle Traders Pvt. Ltd.	—	—		16,800	8,40,000.00	
Udgam Commercial Ltd.	17,700	1,77,000.00		27,500	2,75,000.00	
Umang Commotrade Pvt Ltd.	—	—		40,000	20,00,000.00	
Vijaypath Distributors Pvt. Ltd.	—	—		20,000	10,00,000.00	
Vikash Power Pvt Ltd.	2,41,000	61,00,000.00		2,04,500	24,50,000.00	
Weldorf Tradelink Ltd.	85,000	85,00,000.00		2,00,500	20,05,000.00	
Whiteline Barter Ltd.	—	—		42,950	41,15,000.00	
	<b>50,21,440</b>	<b>20,58,60,504.39</b>		<b>53,09,170</b>	<b>11,80,18,500.00</b>	
<b>PREFERENCE SHARES</b>						
Jindal Photo Films (CCPS)	—	—		1,900	81,795.00	
	—	—		1,900	81,795.00	
<b>DEBENTURES</b>						
Ahmedabad Electricity Ltd.	900	54,000.00		900	54,000.00	
Flex Foods Ltd.	120	1,200.00		120	1,200.00	
Hanil Era Textiles Ltd.	10,750	3,76,250.00		10,750	3,76,250.00	
Hind Powerplus Ltd.	120	12,000.00		120	12,000.00	
Khatau Junkers Ltd.	375	12,750.00		375	12,750.00	
Mardia Chemicals Ltd.	100	6,000.00		100	6,000.00	
Mideast India Ltd.	300	16,500.00		300	16,500.00	
Modi Alkalies & Chemicals Ltd.	350	7,700.00		350	7,700.00	
Raymond Ltd.	7	210.00		7	210.00	
	<b>13,022</b>	<b>4,86,610.00</b>		<b>13,022</b>	<b>4,86,610.00</b>	
<b>MUTUAL FUNDS</b>						
Franklin Internet Opportunity Fund	2,50,000	25,00,000.00		2,50,000	21,25,000.00	
Principal Growth Fund	2,50,000	10,27,500.00		2,50,000	10,07,500.00	
	<b>5,00,000</b>	<b>35,27,500.00</b>		<b>5,00,000</b>	<b>31,32,500.00</b>	
<b>Aggregate Value of Quoted Shares</b>	<b>1,06,20,424</b>	<b>4,07,60,588.06</b>		<b>1,16,95,939</b>	<b>8,16,21,666.60</b>	
<b>Aggregate Value of Unquoted Shares</b>	<b>50,21,440</b>	<b>20,58,60,504.39</b>		<b>53,09,170</b>	<b>11,80,18,500.00</b>	
<b>Aggregate Value of Preference Shares</b>	<b>—</b>	<b>—</b>		<b>1,900</b>	<b>81,795.00</b>	
<b>Aggregate Value of Debentures</b>	<b>13,022</b>	<b>4,86,610.00</b>		<b>13,022</b>	<b>4,86,610.00</b>	
<b>Aggregate Value of Mutual Fund</b>	<b>5,00,000</b>	<b>35,27,500.00</b>		<b>5,00,000</b>	<b>31,32,500.00</b>	
	<b>1,61,54,886</b>	<b>25,06,35,202.45</b>		<b>1,75,20,031</b>	<b>20,33,41,071.60</b>	
<b>Aggregate Market Value of Quoted Shares</b>		<b>5,11,99,559.93</b>			<b>11,14,93,572.51</b>	

	<b>As at 31st March, 2005</b>	<b>As at 31st March, 2004</b>
<b>SCHEDULE - F</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered Good)		
Exceeding Six Months	<b>39,94,025.00</b>	1,56,62,678.00
Others	<b>4,23,830.00</b>	1,40,604.00
	<b>44,17,855.00</b>	1,58,03,282.00
<b>SCHEDULE - G</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand (As per Books and as certified by the Management)	<b>3,44,079.29</b>	82,315.79
Balance with Scheduled Banks in Current Account	<b>3,854.04</b>	8,028.44
	<b>3,47,933.33</b>	90,344.23
<b>SCHEDULE - H</b>		
<b>OTHER CURRENT ASSETS</b>		
Advance Income Tax	<b>22,46,360.00</b>	4,96,360.00
Securities Transaction Tax	<b>1,02,494.11</b>	—
Share Application Money	<b>15,10,000.00</b>	10,000.00
Tax Deducted at Source	<b>4,09,867.38</b>	3,99,835.38
	<b>42,68,721.49</b>	9,06,195.38
<b>SCHEDULE - I</b>		
<b>LOANS &amp; ADVANCES</b>		
<b>LOANS</b>		
<b>Unsecured, Considered good</b>		
- Bodies Corporate	<b>6,45,568.00</b>	6,07,600.00
<b>Advances</b>		
Advances Recoverable in cash or in kind or for value to be received	<b>2,54,05,817.00</b>	3,38,10,348.00
	<b>2,60,51,385.00</b>	3,44,17,948.00

	<b>As at 31st March, 2005</b>	<b>As at 31st March, 2004</b>
<b>SCHEDULE - J</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	<b>57,999.10</b>	46,09,055.50
Other Liabilities	<b>1,46,89,007.00</b>	54,08,521.13
	<b>1,47,47,006.10</b>	1,00,17,576.63
<b>SCHEDULE - K</b>		
<b>PROVISIONS</b>		
Provisions for Income Tax	<b>21,28,718.00</b>	15,16,303.00
	<b>21,28,718.00</b>	15,16,303.00
<b>SCHEDULE - L</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Share Issue Expenses	—	3,26,335.75
	—	3,26,335.75
	<b>For the year ended 31st March, 2005</b>	<b>For the year ended 31st March, 2004</b>
<b>SCHEDULE - M</b>		
<b>INTEREST &amp; DIVIDEND</b>		
Dividend	<b>11,67,039.34</b>	4,76,354.10
Interest [(TDS Rs. 10,032/-) Pr. Yr. Rs. 9,840/-]	<b>48,000.00</b>	48,129.00
	<b>12,15,039.34</b>	5,24,483.10
<b>SCHEDULE - N</b>		
<b>OTHER INCOME</b>		
Profit in share dealing	<b>19,18,333.92</b>	3,39,171.44
Liabilities Written Back	<b>16,54,000.00</b>	—
	<b>35,72,333.92</b>	3,39,171.44
<b>SCHEDULE - O</b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock	<b>25,06,35,202.45</b>	20,33,41,071.60
Less : Opening Stock	<b>20,33,41,071.60</b>	11,42,36,340.23
	<b>4,72,94,130.85</b>	8,91,04,731.37

	<b>For the year ended 31st March, 2005</b>	<b>For the year ended 31st March, 2004</b>
<b>SCHEDULE - P</b>		
<b>EMPLOYMENT EXPENSES</b>		
Salary & Other Allowances	<b>7,72,347.00</b>	7,60,718.00
Employer's Contribution to P.F.	<b>97,148.00</b>	68,520.00
Contribution to Gratuity Fund	<b>56,349.00</b>	—
	<b>9,25,844.00</b>	8,29,238.00

**SCHEDULE - Q**

**ADMINISTRATIVE & OTHER EXPENSES**

Advertisement	<b>51,250.00</b>	45,149.00
Auditors' Remuneration	<b>16,530.00</b>	16,200.00
Bad Debts Written Off	—	28,14,888.14
Bank Charges	<b>19,044.70</b>	11,211.14
Business Promotion	<b>3,766.82</b>	—
Custodian Charges	<b>78,849.82</b>	82,387.37
Directors' Remuneration	<b>3,00,000.00</b>	2,05,484.00
Filing Fees	<b>6,000.00</b>	5,500.00
Insurance Charges	—	15,011.00
Interest Paid	<b>1,82,877.00</b>	—
Legal & Professional Charges	<b>29,220.00</b>	21,866.00
Listing Fees	<b>1,23,500.00</b>	1,19,500.00
Miscellaneous Expenses	<b>61,734.72</b>	91,638.73
Postage & Telegram	<b>4,030.00</b>	4,170.00
Previous Year Adjustment	<b>1,50,210.50</b>	73,23,717.00
Printing & Stationery	<b>26,865.00</b>	21,330.00
Loss on sale of Fixed Assets	—	1,64,056.29
Rates & Taxes	<b>22,500.00</b>	1,250.00
Share Transfer Charges	<b>35,705.97</b>	12,000.00
Staff Welfare Expenses	<b>11,105.00</b>	7,678.00
Telephone Charges	<b>29,658.00</b>	6,280.00
Travelling & Conveyance	<b>1,68,353.60</b>	1,05,322.13
	<b>13,21,201.13</b>	1,10,74,638.80

**SCHEDULE - R**

**NON CASH CHARGES**

Depreciation	<b>25,22,331.20</b>	25,85,482.00
Shares Issue Expenses Written Off	<b>3,26,335.75</b>	3,56,535.00
	<b>28,48,666.95</b>	29,42,017.00

**SCHEDULE - S**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF ACCOUNTING :**

The Financial Statements have been prepared under the Historical Cost Convention.

**B. INCOME RECOGNITION :**

All revenues/incomes except Dividend, Interest on Debentures are recognised on accrual basis of accounting.

**C. PRINCIPAL ACCOUNTING POLICIES :**

Accounting Policies, unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

**D. GRATUITY :**

The Company has taken Group Gratuity Policy from LIC of India for its employees and contribution paid during the year has been charged to Profit & Loss Account.

**E. STOCK IN TRADE :**

Stock in Trade are valued at lower of Cost and Market Value.

**F. MISCELLANEOUS EXPENDITURE :**

Share Issue Expenses are written off in equal instalments over a period of ten years.

**G. FIXED ASSETS :**

Fixed Assets are stated at cost of acquisition less depreciation.

**H. DEPRECIATION :**

Depreciation has been provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

**2. NOTES ON ACCOUNTS :**

**A. QUANTITATIVE DETAILS OF GOODS TRADED :**

**SHARES AND DEBENTURES**

	As at 31st March, 2005		As at 31st March, 2004	
	Quantity	Amount	Quantity	Amount
Opening Stock	<b>1,75,20,031</b>	<b>20,33,41,071.60</b>	1,74,37,158	11,42,36,340.23
Purchases	<b>1,02,48,313</b>	<b>38,61,58,329.26</b>	65,94,491	25,45,03,337.09
Sales	<b>1,16,13,458</b>	<b>36,38,72,997.87</b>	65,11,618	19,54,07,079.79
Closing Stock	<b>1,61,54,886</b>	<b>25,06,35,202.45</b>	1,75,20,031	20,33,41,071.60

**B.** In the opinion of the Management, the Sundry Debtors, Loans & Advances and Current Assets have a value on realisation in the ordinary course of business at least equal to amount at which they are stated in the Balance Sheet.

**C.** Earning & Expenditure in foreign currency - **NIL** (NIL)

**D.** Certain balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation.

**E.** **The Company has not made any provision for interest amounting to Rs. 41.50 lakhs (Rs. 41.50 lakhs) in respect of Loan taken from REC during the year.**

F. Since the Company has operated only in one segment i.e. Trading in Shares & Securities, provisions relating to segment wise Report as per AS - 17 are not applicable.

**G. RELATED PARTIES DISCLOSURES :**

**List of Related Parties with whom transactions have taken place during the year :**

**a) Key Management Personnel, Directors Relatives**

- |                       |                   |
|-----------------------|-------------------|
| 1) Arihant Jain       | Managing Director |
| 2) Santosh Kumar Jain | Director          |
| 3) R. Kalyanaraman    | Director          |
| 4) Sumathi Sridharan  | Director          |

**b) Enterprises over which above person has significant influence :**

- 1) ATN International Ltd.
- 2) Ahimsaa Global Media Ltd.
- 3) Arihant Ltd.
- 4) Twenty First Century India Ltd.

**c) Transaction with the persons mentioned in (A) above :**

Remuneration Rs. 3,36,000/-

**d) Transaction with the enterprises mentioned in (B) above :**

Purchase of Shares during the year Rs. 86,40,000.00  
Sale of Shares during the year Rs. 10,45,52,868.62

**H. Deferred Tax :**

Consequent to mandatory Accounting Standard issued by ICAI on Accounting for Taxes on income, the Company has recorded Cumulative net deferred tax liabilities of Rs. 57,01,462/- till 31st March, 2005.

Significant component of deferred tax assets (Liability) as shown in the Balance Sheet are as follows :

	DTA	DTL	NET DTA
Carry forward of Loss	21,07,715/-	—	21,07,715/-
Depreciation Differences	—	(78,09,177/-)	(78,09,177/-)
	<b>21,07,715/-</b>	<b>(78,09,177/-)</b>	<b>(57,01,462/-)</b>

Provision for tax include Rs. 71,74,491/- towards deferred tax assets adjustment.

I. The Board of Directors has decided to amalgamate M/s. Pentasoft Technologies Ltd., Chennai with the Company w.e.f. 1st April, 2005. The Company has filed the Scheme of Amalgamation with the Stock Exchanges and an application will be made in Hon'ble Calcutta High Court after receiving no objection from them.

J. Figures in brackets represent previous year figures.

K. Schedule "A" to "S" annexed herewith are forming part of the Balance Sheet and the Profit & Loss Account.

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Place : Kolkata

Dated : 23rd day of May, 2005

As per our Report of even date  
**For P. K. AJITSARIA & CO.**  
Chartered Accountants

**PAWAN KUMAR AJITSARIA**  
Proprietor

**KAILASH CH. JAISWAL**  
Secretary

**ARIHANT JAIN**  
Managing Director

**SANTOSH KUMAR JAIN**  
Director

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**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV SCHEDULE VI OF COMPANIES ACT, 1956**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No. 61312 State Code 21  
 Balance Sheet Date 31032005

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)**

Public Issue (Allotment Money) NIL Rights Issue NIL  
 Bonus Issue NIL Private Placement NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)**

Total Liabilities 296259 Total Assets 296259

**Sources of Funds**

Paid-up Capital 129680 Reserves & Surplus 131819  
 Secured Loans 29059 Deferred Tax Liabilities 5701

**Application of Funds**

Net Fixed Assets 23491 Investments NIL  
 Net Current Assets 268845 Miscellaneous Expenditure NIL  
 Accumulated Losses 3923

**IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)**

Turnover 368660 Total Expenditure 343960  
 Profit/(Loss) Before Tax 24700 Profit/(Loss) After Tax 15682  
 Earning Per Share (in Rs.) 0.12 Dividend Rate (%) NIL

**V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (As Per Monetary Terms)**

Item Code No. (ITC Code) NOT APPLICABLE

Product Description GRANTING OF LOANS & INVESTMENT IN SHARES & SECURITIES

As per our Report of even date  
**For P. K. AJITSARIA & CO.**  
*Chartered Accountants*

**ARIHANT JAIN**  
*Managing Director*

Place : Kolkata  
 Dated : 23rd day of May, 2005

**PAWAN KUMAR AJITSARIA**  
*Proprietor*

**KAILASH CH. JAISWAL**  
*Secretary*

**SANTOSH KUMAR JAIN**  
*Director*





Particulars	Amount net of provisions		
<b>6. Borrow group-wise classification of all leased assets, stock-on-hire and loans and advances :</b>			
Category	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries NIL	NIL	NIL	
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	2,60,51,385.00	2,60,51,385.00
<b>Total</b>	NIL	2,60,51,385.00	2,60,51,385.00

**7. Investor group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted) :**

*Please see Note 3 at the end of the Format.*

Category	Market Value/Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	Rs. 1,90,40,531.55	Rs. 1,92,86,779.05
(c) Other related parties	NIL	NIL
2. Other than related parties	Rs. 24,20,33,642.77	Rs. 23,13,48,423.34
<b>Total</b>	Rs. 26,10,74,174.32	Rs. 25,06,35,202.45

*\*\* As per Accounting Standard of ICAI (Please see Note 3 at the end of Format).*

**8. Other Information :**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(i) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

- Notes :**
- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
  - Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
  - All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

**SILICON VALLEY INFOTECH LIMITED**

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**SILICON VALLEY INFOTECH LIMITED**

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