



Annual Report 2012 - 13

"A Leader In Technology Driven Business Solutions"



SAVEN TECHNOLOGIES

Corporate information

Board of Directors

Shri Nrupender Rao (Chairman)
 Shri Sridhar Chelikani
 Shri Clive Menhinick
 Shri R S Sampath
 Wg. Cdr. (Retd.) A B Bhushan
 Shri Vijay Chandra Puljal
 Shri Murty Gudipati (Executive Director)

Company Secretary

Ms. Ansu Elezabeth Thomas

Auditors

Rambabu & Co.,
 Chartered Accountants
 31, Pancom Chambers,
 6-3-1090/1/A, Rajbhavan Road,
 Somajiguda, Hyderabad - 500 082

Bankers

IndusInd Bank Limited
 Andhra Bank

Registered Office

No.302, My Home Sarovar Plaza,
 5-9-22, Secretariat Road,
 Hyderabad - 500 063.

U.S. Subsidiary

Saven Technologies Inc.,
 1051 Perimeter Drive,
 Suite 1175, Schaumburg,
 IL 60173, USA

Registrar and Share Transfer Agents

XL Softech Systems Ltd.
 # 3, Sagar Society, Road No.2,
 Banjara Hills, Hyderabad - 500 034.

Across the pages

Directors' Report	2 - 4
Management Discussion and Analysis Report	5 - 6
Compliance Report on Corporate Governance	7 - 15
Auditors' Report	16 - 19
Financial Statements	
Balance Sheet	20
Profit and Loss Account	21
Cash Flow Statement	22
Notes forming part of the Financial Statements	23 - 33
Statement pursuant to Section 212 of the Companies Act, 1956	34
Financial Statements of Subsidiary Company	
Saven Technologies, Incorporated	35 - 40
Consolidated Financial Statements	41 - 55
Notice of Annual General Meeting	56 - 58
Attendance Slip & Proxy Form	59

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 20th Annual Report on the operations of the Company together with the audited financial statements for the year ended March 31, 2013. The financial highlights of the Company are as follow:

Financial Results**(In Lakhs)**

Particulars	Consolidated		Standalone	
	2012-13	2011-12	2012-13	2011-12
Revenue from operations	7421.35	6475.92	1000.87	720.78
Operating Profit (PBIDT)	513.10	406.95	341.10	196.30
Depreciation and amortisation	62.71	43.73	32.81	27.20
Income Tax	164.72	81.52	72.58	--
Exceptional items (CR)	37.09	61.38	37.09	61.38
Minority Interest	53.64	44.24	--	--
Profit after Tax (PAT)	263.52	290.88	271.74	230.19
Basic Earnings per share (Rs.)	2.42	2.67	2.50	2.12

Business Performance

The consolidated income of your Company and its subsidiary, Saven Technologies Inc., was Rs 74.21 crores as compared to Rs. 64.76 crores for the previous year, an increase of 15%. The consolidated profit before tax was Rs. 444.79 lakhs as against Rs. 355.26 lakhs for the previous year. The net consolidated profit was Rs. 263.52 lakhs as against Rs. 290.88 lakhs for the previous year.

The total revenue of the Company for the year ended March 31, 2013 was Rs 1000.87 lakhs compared to Rs. 720.78 lakhs for the previous year. Software development and services by the offshore development center of the Company recorded an increase of 27% from Rs. 662.41 lakhs to Rs. 842.24 lakhs despite a slow growth in the US economy. The profit before Tax and exceptional item recorded an increase of 82%, from Rs 168.81 lakhs to Rs. 307.23 lakhs, due to improved performance, favourable foreign exchange variance and dividend income of Rs. 74.96 lakhs from Saven Technologies Inc., a U.S. subsidiary of the Company.

Subsidiary Company:**Saven Technologies Inc. - US**

Despite a sluggish growth in the US economy, the subsidiary [Saven US] could sustain a total income of USD 14.12 Million [Rs.73.37crores] as against USD 13.61 Million [Rs. 64.03 crores] for the previous year, a marginal increase of 3.7% in terms of dollar revenue. With continued focus on operational efficiency and controlling costs on sustainable basis, the subsidiary could maintain an operating income of \$ 429K (Rs. 222.18 lakhs) as compared to \$ 383 K (Rs.179.47 lakhs) for the previous year. The Net Profit after income tax was \$ 237K (Rs. 122.50 lakhs) as against profit of \$ 229 K (Rs.106.77 lakhs) for the previous year.

Your Directors are pleased to inform you, that your subsidiary Company has declared maiden dividend of \$ 0.33 (33%) per equity share of face value of \$ 1. Your Company has accounted the dividend income of Rs.74.96 lakhs, received after the year under review.

Joint Venture

Penrillian Limited, a joint venture of your Company in UK, is in the business of software development for wireless information devices to provide high end technical solutions to leading mobile Companies. Despite a recessionary trend in UK, Penrillian performed well and achieved revenue of £ 1.8 million for the year ended June 30, 2013 as against £ 1.4 million for the previous year and is optimistic of further improvement in the performance in the current year.

Consolidated Financial Statements

In conformity with Clause 32 of the Listing Agreement with the Stock Exchange and as required by Accounting Standard 21 issued by The Institute of Chartered Accountants of India (ICAI), the Consolidated Financial Statements of your Company and its Subsidiary are published in the Annual Report in addition to their individual financial statements.

Dividend

Your Directors are of the opinion that it will not be prudent to recommend any dividend for the year under review.

Fixed Deposits

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Management Discussion & Analysis and Corporate Governance

The "Management Discussion and Analysis Report" highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this Directors' Report.

As per the requirements of the Listing Agreement with Stock Exchange, a Report on Corporate Governance duly audited is annexed for information of the Members.

Directors

Pursuant to Article 125 of the Articles of Association of your Company, read with Section 256 of the Companies Act, 1956, Mr. Nrupender Rao and Mr. Sridhar Chelikani retire as Directors by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Auditors

The Statutory Auditors, Rambabu & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

Directors' Responsibility Statement

In terms of Section 217(2AA) of the Companies Act 1956, your Directors would like to state that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2013 and the profit of the Company for that financial year;
- iii. 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. The Directors have prepared the Annual Accounts on a going concern basis.

Disclosure as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

In terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 your Directors furnish the required details below:

Conservation of Energy:

The nature of the Company's operations requires a very low level of energy consumption.

Research and Development (R&D):

The Company continues to look at opportunities in the areas of research and development in its present range of activities.

Technology Absorption:

The Company has not imported any technology during the year.

Foreign Exchange Earnings and Outgo:

During the year under review, your Company earned Foreign Exchange aggregating to Rs. 10 crores. The Foreign Exchange outgo during the year was Rs. 3.27 lakhs.

Particulars of Employees:

During the year under review, none of the employees of the Company have drawn remuneration as specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

Acknowledgments:

Your Directors thank the investors, bankers, clients and vendors for their continued support. Your Directors place on record their appreciation of the valuable contribution made by the employees at all levels.

For and on behalf of the Board

Place : Hyderabad
Date : August 13, 2013

Nrupender Rao
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (forming part of Directors' Report)**a. Industry Structure and Developments**

Financial year 2012-13 was a challenging year for the economy both globally and in India. The world economy grew by a mere 3.1% in 2012 as compared to 3.9% in the previous year. The domestic situation in India was influenced by these global trends. After strong years of positive growth, the Indian economy slowed down to a GDP of 5% from 6.5% in the previous year. The policy actions in Europe and US successfully defused two of the biggest short term threats to global recovery viz. the threat of a Euro area break up and sharp fiscal contraction in the US.

Despite challenges in the global market, the Indian IT - BPM industry sustained its growth trajectory with export revenue of USD 75.8 billion with year on year growth rate of 10.2%. Europe, despite the economic crisis demonstrated higher acceptance of global sourcing with markets such as Germany / France increasing outsourcing as a way to keep their costs under control and gain greater flexibility in light of the increasingly volatile markets in the euro zone.

IT industry body, NASSCOM has given a positive outlook for the IT sector projecting a growth rate of 12-14% for exports to reach a level of USD 84-87 billion. Changing business models, emergence of new technologies, buyer segments and solutions for emerging markets will help India retain its position as the global sourcing leader and an emerging trust worthy innovation hub.

b. Opportunities, Threats, Risks and Concerns

At the NASSCOM Strategic Preview 2013 press conference of NASSCOM as addressed by Chairman, SMAC (Social Media, Mobility, Analytics and Cloud) technologies would fuel growth. Technology has today become enabler for growth across all sectors and the industry is continuously evolving and innovating to emerge as a strategic partner to its customers. Some of the key growth drivers that are expected to open new opportunities for the Industry are smart Computing, "anything" as-a-service, technology enablement in emerging verticals and the SMB market. Domestic revenues are expected to grow by 13-15% and reach Rs.1180-1200 billion.

The US economy expanded at a 2.8% annual rate in 2012, up from a previous estimate of 2.2%. Customers and businesses spent more and government cut back on their spending less. But the tighter visa regime with significant changes, it has been tougher for the I.T industry to increase the employee pool for short term business assignments. This has been the impediment for scaling up the operation.

As Indian's software outsourcing firms look beyond their traditional business, the emerging technology areas are based on unstructured information. These require

manpower with specialized skills to execute business strategy in these emerging areas which are in short supply.

While the rupee depreciation has helped the Indian firms, it has impacted multinational firms adversely bringing down the entire Industry's growth. Further at the time of renewal of existing contract or while entering into new contracts, customers could expect a reduction in the rates.

However, your Company including the US subsidiary is closely monitoring the developments and will continue to regularly monitor risk levels on various parameters and evolve strategies to mitigate them.

c. Outlook

Your Company has been predominantly developing applications for the financial sector and building market data portals for financial Institutions and brokerage firms in US and across Globe. The Company has also built capabilities in providing end to end technology and technology related services for other sectors.

While the Company will focus more for business from North America, it is also planning for Domestic business.

Your Company has already in the business of Big Data Analytics in a small way and are planning to expand this segment considering the opportunities available for Analytics business.

The Company with domain knowledge and experience is developing Data API for Mutual Funds and ETFs. This would enable the Company to expand this segment of BPM for mutual funds and ET Funds.

Saven Technologies Inc., US

IT Services business has considerably improved during the year under review. Unfortunately, with tighter enforcement of Visa regulation, it has not been possible to increase the employee strength. This has affected the growth prospects of the Company. While, your subsidiary is examining ways and means to improve the employee strength, it is focusing more on operational efficiency and controlling costs on sustainable basis. Your US Company in addition to concentrating on outsourcing business to Indian Company is building a model where offshore team and onshore team collaborate and deliver high quality work for US Customers.

d. Internal Control Systems and their adequacy

There are adequate internal control procedures and internal audit systems commensurate with the size of the Company and the nature of its business. The Management periodically reviews the internal control systems for further improvement.

e. Discussion on financial performance with respect to operational performance

The financial statements have been prepared under the historical cost convention, on the basis of a going concern.

Financial Position - Unconsolidated**1. Share Capital**

There has been no change in the authorized, issued, subscribed and paid up capital. The paid up capital stands at Rs.1087.87 lakhs.

2. Reserves and Surplus**A. Share Premium**

There has not been any change in the Share Premium amount during the year and the same stands at Rs.189.47 lakhs.

B. Capital Reserve

There has not been any change in the Capital Reserve and the same stands at Rs.46.86 lakhs.

3. Fixed Assets

The significant additions to gross block in fiscal 2013 were

Computer / Hardware equipment Rs.19.56 lakhs in fiscal 2013 (Rs.20.22 lakhs in fiscal 2012), Computer Software Rs.6.68 lakhs in fiscal 2013 (Rs.10.19 lakhs in fiscal 2012), Furniture & Fixtures Rs.4.10 lakhs in fiscal 2013 (Rs.16.23 lakhs in fiscal 2012), Office Equipment, Electrical installations and Air conditioners Rs.5.71 lakhs in fiscal 2013 (Rs.7.37 lakhs in fiscal 2012) and Vehicles Rs.21.80 lakhs in fiscal 2013 (Nil in fiscal 2012)

The entire capital expenditure was funded out of internal accruals.

4. Investments

The Company had, during the previous years, made strategic investments aggregating to Rs.194.80 lakhs in its Subsidiary / Joint Venture.

5. Trade Receivables

Trade Receivables amounted to Rs.251.88 lakhs as at March 31, 2013, compared to Rs.366.46 lakhs on as at March 31, 2012. These receivables are considered good and realizable.

6. Cash and Cash Equivalents

Cash and Cash Equivalents have increased from Rs.226.77 lakhs to Rs.544.10 lakhs, an increase of Rs.317.33 lakhs. The surplus amount of Rs.527.07 lakhs is kept in Fixed Deposits in Scheduled banks. During the year the Company has earned an interest income of Rs.32.30 lakhs from these deposits.

7. Long term loans and advances

Long term loans and advances have decreased from Rs.70.99 lakhs to Rs.50.99 lakhs.

8. Results of Operations

The total revenue for the year ended March 31, 2013 was Rs.1000.87 lakhs as compared to Rs.720.78 for the previous year. The Operating Profit (PBIDT) for the year under review was Rs.341.10 lakhs, as compared to Rs.196.30 lakhs for the previous year. After considering depreciation, interest and Income tax the Net Profit was Rs.271.74 lakhs, as compared to Rs.230.19 lakhs for the previous year.

The Offshore Development & Services income for the year ended March 31, 2013 was Rs.842.24 lakhs as compared to Rs.662.41 lakhs for the previous year.

The other income includes fixed deposit interest income of Rs.32.30 lakhs as compared to Rs.11.81 lakhs in the previous year. During the financial year ended March 31, 2013 favourable foreign exchange variance was Rs. 18.68 lakhs.

During the financial year ended March 31, 2013, Saven Technologies Inc. USA (subsidiary Company) has declared maiden dividend of \$ 0.33 (33%) per equity share of face value of \$ 1. Your Company has accounted the dividend income of Rs.74.96 lakhs, under other income, received during the current financial year.

f. Material developments in Human Resources/ Industrial Relations front, including number of people employed

Being engaged in a people-oriented business, it has been the Company's endeavour to create and encourage talent by providing a good working environment, need based training, career growth plans and a competitive remuneration package.

Saven Employees Foundation Trust continues to hold 200,000 equity shares of Rs.10/- each, for grant of stock options to the Company's employees. The Company has introduced ESOP 2008 plan under which employees will be granted option to acquire certain number of Equity Shares at a price of Rs.10/- per Equity Share. An ESOP Compensation Committee has been constituted for the administration and superintendence of the ESOP. No stock options have been issued as of date.

FORWARD-LOOKING STATEMENTS

Some of the statements contained in the above discussion are of a forward-looking nature and it will be appreciated that the Company cannot guarantee that these expectations will be realized. Actual results and outcome may, despite efforts on the part of the Company, differ materially from those discussed.

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of Listing Agreement with Stock Exchange, your Directors present below a detailed Compliance Report on Corporate Governance.

1. Company's Philosophy

Your Company is committed to good Corporate Governance and the Company's philosophy is aimed at conducting business ethically and efficiently in a transparent manner and establishing

enduring relationship with all its stakeholders and optimize growth.

2. Board of Directors**a. Composition**

The Company's Board comprises seven Directors including an Independent Executive Director. The Company has as many as four Independent Non-Executive Directors and Non-Executive Chairman.

b. Attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) and details of other Directorships, etc. :-

Name of the Director	Category of Directorship	No. of Board meetings held during his Directorship	No. of Board meetings attended	Attendance at the last AGM (Yes / No)	No. of other Companies in which Director	No. of Committees (other than those constituted by the Company in which Member /Chairman)
Nrupender Rao	Promoter, Non-executive Chairman	6	6	Yes	8	4
Sridhar Chelikani	Non-executive	6	2	No	2	Nil
R S Sampath	Independent, Non-executive	6	6	Yes	1	2
Clive Menhinick	Independent, Non-executive	6	Nil	No	4	Nil
A B Bhushan	Independent, Non-executive	6	6	Yes	1	2
Vijay Chandra Puljal	Independent, Non-Executive	5	2	No	4	2
Murty Gudipati	Executive Director	6	6	Yes	2	Nil

Note: Date of last Annual General Meeting (AGM) - September 24, 2012.

c. Number of Board Meetings held during the financial year and the dates of the Board Meetings

Six Board Meetings were held during the financial year 2012-13. The gap between any two Board Meetings did not exceed four months.

The dates on which the Meetings were held are as follows:

May 23, 2012, July 14, 2012, August 8, 2012, November 7, 2012, December 27, 2012 and February 4, 2013

d. *The Company's Non-Executive Directors do not have any material pecuniary relationship or transactions with the Company.*

3. Audit Committee

a. Brief description of terms of reference

The terms of reference of the Audit Committee are in conformity with the provisions of Sub-clause II of Clause 49 of the Listing Agreement entered with Bombay Stock Exchange Limited.

b. Composition, Names of members and Chairperson

The Company has a qualified and an independent Audit Committee consisting of Mr. R S Sampath (Chairman), Wg. Cdr. (Retd.) A B Bhushan and Mr. Nrupender Rao, all being Non-Executive Directors. Mr. Murty Gudipati, Executive Director is invited to attend the Audit Committee meeting and the Company Secretary is the Secretary of the Committee. The Deputy General Manager - Finance & Accounts is required to attend by

invitation to the Meeting.

There were four meetings of the Audit Committee during 2012-13. The dates on which the said meetings were held are as follows.

May 23, 2012, August 8, 2012, November 7, 2012 and February 4, 2013

The attendance of each Member of the Committee is given below:-

Sl. No.	Name of the Director	No. of Committee Meetings held during the directorship	No. of Committee Meetings attended
1	R S Sampath	4	4
2	A B Bhushan	4	4
3	Nrupender Rao	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

4. Remuneration Committee

a. Brief description of terms of reference

To formulate the remuneration policy and approve the remuneration or revision in the remuneration payable to Executive Directors / Whole-time Directors.

b. Composition, Names of members and Chairperson

The Company has a Remuneration Committee consisting of three members, all being Non-Executive, Independent Directors.

The Committee consisted of:

1. Wg. Cdr. (Retd.) A B Bhushan (Chairman)
2. Mr. Vijay Chandra Puljal
3. Mr. R S Sampath

The Chairman of the Remuneration Committee was present at the last Annual General Meeting.

c. Meetings and attendance during the year

During the Period under review the Company has conducted Remuneration Committee Meeting on August 08, 2012. The details of attendance are given below:

Sl. No.	Name of the member	No. of Meetings held attended	No. of Meetings
1	Wg. Cdr. (Retd.) A B Bhushan	1	1
2	Mr. Vijay Chandra Puljal	1	0
3	Mr. R S Sampath	1	1

d. Remuneration Policy

To recommend/review the remuneration package periodically to Executive Directors. The remuneration policy is in consonance with the existing industry practice and also with provisions of the Companies Act, 1956.

e. Remuneration to Directors

Mr. Murty Gudipati was appointed as an Executive Director for a period of two years with effect from August 13, 2012 with the approval of the members at the Annual General Meeting held on September 24, 2012.

Besides Mr. R.S. Sampath, all the Non-Executive Directors receive remuneration only by way of sitting fees for attending the meetings of the Board and Committee thereof.

The details of remuneration paid to all the Director's for 2012-13 is given below: (Amount in Rs)

Name of the Director	Designation	Salary	Retainer Fees	Provident fund, Superannuation fund and other perquisites	Sitting Fee	Total
Nrupender Rao	Promoter, Non-Executive Chairman	-	-	-	16,000	16,000
Sridhar Chelikani	Non-Executive	-	-	-	4,000	4,000
R S Sampath	Independent, Non-Executive	-	4,20,000	-	16,000	4,36,000
Clive Menhinick	Independent, Non-Executive	-	-	-	-	-
A B Bhushan	Independent, Non-Executive	-	-	-	16,000	16,000
Vijay Chandra Puljal	Independent, Non-Executive	-	-	-	4,000	4,000
Murty Gudipati	Executive Director	10,90,322	-	21,37,181	-	32,27,503

f. Details of number of shares held by the Non- Executive/Independent Directors as on March 31, 2013

Name of the Director	Designation	No. of shares held
Nrupender Rao	Promoter, Non-Executive Chairman	5,000
Sridhar Chelikani	Non-Executive	2,44,128
R S Sampath	Independent, Non-Executive	4,970
Clive Menhinick	Independent, Non-Executive	-
A B Bhushan	Independent, Non-Executive	17
Vijay Chandra Puljal	Independent, Non-Executive	-

5. Shareholders' / Investors' Grievances Committee

The Company has an Investors' Grievances Committee to specifically look into the redressal of shareholders' / investors' complaints and to strengthen investor relations.

As there was no investor complaint, no formal meeting of the Investors' Grievances Committee was held during the year under review.

a. Name of Non-Executive Director heading the Committee is Mr. Nrupender Rao

The Committee consisted of:

1. Mr. Nrupender Rao (Chairman)
2. Mr. R S Sampath (Non-Executive, Independent Director)
3. Wg. Cdr. (Retd.) A B Bhushan (Non-Executive, Independent Director)

b. Name and designation of Compliance Officer
Ms. Ansu Elezabeth Thomas, Company Secretary

c. Status of investor complaints received during the financial year
No complaints were received during the financial year under review.

6. Share Allotment Committee

As no allotment had to be made, no meeting of the Share Allotment Committee was held during the financial year.

The Committee consisted of:

1. Mr. Nrupender Rao (Chairman)
2. Mr. R S Sampath (Non-Executive, Independent Director)

8. General Body Meetings

a. *Details of the location and time of the last three Annual General Meetings (AGMs) of the Company*

The details in respect of the last three Annual General Meetings (AGMs) of the Company are as follows:

Date	Year	Type	Venue	Time
15.09.2010	2009-10	Annual General Meeting	FAPCCI, Red Hills, Hyderabad	10:30 A.M.
26.09.2011	2010-11	Annual General Meeting	FAPCCI, Red Hills, Hyderabad	11:00 A.M.
24.09.2012	2011-12	Annual General Meeting	FAPCCI, Red Hills, Hyderabad	04:00 P.M.

b. Special resolutions

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting. The following are the special resolutions passed at the previous General meetings held in the last three years:

AGM / EGM Held on	Whether special resolution passed	Summary of the resolution
24.09.2012	Yes and approve the	To appoint Mr. Murty Gudipati as an Executive Director Remuneration payable to him. To appoint Mr. R S Sampath as an Advisor for financial and corporate services
26.09.2011	Yes	To keep the Register of members and Index of members at the office of Registrar and Share Transfer Agents
15.09.2010	Yes and approve the	To appoint Mr. Murty Gudipati as an Executive Director Remuneration payable to him.

c. Information on Directors seeking appointment/re-appointment as required under Clause 49VI(A) of the Listing Agreement with Stock Exchange

This information is provided in the Notes appended to the Notice of the Annual General Meeting under the heading "Additional information on Directors seeking appointment/re-appointment at the ensuing Annual General Meeting".

d. Postal Ballot

No Postal Ballot had to be conducted during the year under review.

3. Wg. Cdr. (Retd.) A B Bhushan (Non-Executive, Independent Director)

7. Share Transfer Committee

As no Share Transfer was received by the Company during the financial year, no meeting of the Share Transfer Committee was held.

The Committee consisted of:

1. Mr. Nrupender Rao (Chairman)
2. Mr. R S Sampath (Non-Executive, Independent Director)
3. Wg. Cdr. (Retd.) A B Bhushan (Non-Executive, Independent Director)

a. Number of pending share transfers

There was no share transfer pending as at the end of the financial year.

9. Disclosures

a. CEO

Mr. Murty Gudipati, Executive Director and Mr. S. Mohan Rao, DGM- Finance & Accounts, have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

b. Related Party Transactions

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large.

Transactions with the Related Parties are disclosed under Notes to Accounts in the Annual Report.

c. Compliance

A statement of Compliance with all applicable Laws and Regulations as certified by the Executive Director and DGM- Finance & Accounts is placed at periodic intervals for review by the Board.

d. Disclosure of Accounting Treatment:

The Company has followed the accounting standards notified under Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.

e. Code of Conduct

The Board of Directors has laid-down a "Code of Conduct" (Code) for all the Board Members and the Senior Management of the Company and this code is posted on the website of the Company.

Annual declaration is obtained from every person covered by the code.

f. Risk Management

The Board regularly discusses the significant business risks identified by the Management and the mitigation process being taken.

g. Details of non-compliance etc

During the last three years, there were no strictures or penalties imposed on the Company by Stock Exchange or Securities and Exchange Board of India or any statutory authority for non-compliance on any matter related to Capital markets.

h. Whistle Blower Policy

The Company has not established a whistle blower policy. We further affirm that during the year 2012-13 no personnel have been denied access to the Audit Committee.

i. Proceeds from public issues, rights issues, preferential issues etc.,

During the financial year ended March 31, 2013, there were no proceeds from public issues, rights issues, preferential issues etc.

j. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement.

Compliance with Non-Mandatory requirements:

We comply with the following non-mandatory requirements:-

a. The Board -

Chairman of the Board

A Non-Executive Chairman should be entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

For reasons of economy, a separate office has not been provided in the Company's premises. However suitable accommodation is provided whenever the Chairman visits the office.

We ensure that the persons who are being appointed as an independent director has the requisite qualifications and experience which would be of use to the Company and contribute effectively to the Company.

b. Shareholder Rights

The half-yearly declaration of financial performance including summary of the significant events in last six months, should be sent to each household of shareholders.

As the Company's financial results are published in major Newspapers (including regional language newspaper) having wide circulation and the same are posted on the Company's web-site www.saventech.com, it is not considered necessary at this stage to send the same to the shareholders. The Company's official press releases are also posted on the said web-site.

c. Postal Ballot

No resolution requiring the approval of Members by means of Postal Ballot is proposed to be placed before the ensuing Annual General Meeting.

- d. Audit qualifications - During the period under review, there is no audit qualification in Company's financial statements. The Company continues to adopt best practices to ensure un-qualified financial statements.
- e. Training of Board Members - The Company is yet to evolve a plan to train the Board members.
- f. Mechanism for evaluating non-executive Board Members - Yet to evolve
As regards other non-mandatory requirements, the Board has taken cognizance of the same and may consider adopting them as and when deemed appropriate.
The Company has not yet adopted the "CORPORATE GOVERNANCE VOLUNTARY GUIDELINES, 2009". The Board will adopt the same as and when deemed appropriate.
- 10. Means of Communication**
- a. Quarterly Results of the Company are published in Financial Express and Prajashakti (Hyderabad Edition).
The results are also posted on the Company's Website www.saventech.com.
- b. Management Discussion & Analysis is annexed to the Directors' Report and forms part of the Annual Report.
- c. No Presentations were made to analysts during the financial year 2012-13.
- 11. General Shareholder Information**
- a. *Date, time and venue of Annual General Meeting*
September 21, 2013 at 10.30 A.M at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004.
- b. *Dates of book closure*
September 19, 2013 to September 21, 2013 (both days inclusive)
- c. *Dividend payment date*
Not applicable
- d. *Listing on Stock Exchange*
Bombay Stock Exchange Limited
- e. *Listing fee*
Paid Annual Listing Fee to BSE for the year 2013-14.
- f. *Electronic connectivity*
National Securities Depository Limited
Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023.
- g. *Registered Office (Address for correspondence)*
No.302, My Home Sarovar Plaza, 5-9-22, Secretariat Road, Hyderabad - 500 063.
Tel. Nos: +91-40-2323 3358, 2323 7303/04
Fax No. +91-40-2323 7306
email : info@saventech.com
Website : www.saventech.com
- h. *Company's stock code on Stock Exchange:*
Bombay Stock Exchange Ltd,
532404 / 7TEC
ISIN for (shares) of NSDL & CDSL
INE 856B 01015
- i. *Communication regarding share transfers and other related correspondence*
Registrar & Transfer Agent
(Physical and Depository)
XL Softech Systems Ltd.
Plot No. 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034
Tel.No. 040-2354 5913 Fax: 040-2355 3214
E-mail : xlfield@rediffmail.com
- j. *Share Transfer System*
Shares lodged for physical transfer are processed and approved by the share transfer Committee.
For this purpose, the Committee meets as required. In compliance of the SEBI circular, the shareholders/ transferee (including joint holders) holding shares in physical form are requested to furnish a copy of their PAN Card to the Company/ RTA for register of transfer of shares.
- k. *Dematerialisation of Shares and Liquidity*
85.65% of the shareholding has been dematerialized as on 31.03.2013.

I. Distribution of Shareholding as on March 31, 2013

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	1,310	61.27	2,62,082	2.41
501-1000	386	18.05	3,15,701	2.90
1001-2000	168	7.86	2,72,858	2.51
2001-3000	65	3.04	1,65,913	1.53
3001-4000	34	1.59	1,25,648	1.15
4001-5000	42	1.96	1,99,357	1.83
5001-10000	47	2.20	3,58,648	3.30
10001 and above	86	4.03	91,78,541	84.37
Total	2,138	100.00	10,878,748	100.00

m. Outstanding GDRs / ADRs / Warrants or any other convertible instruments' conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments so far.

n. Plant locations : Not applicable

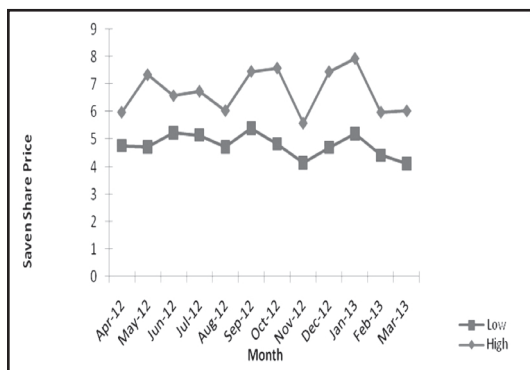
o. Market Price Data

Monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Limited, Mumbai, (BSE) for the financial year 2012-13:

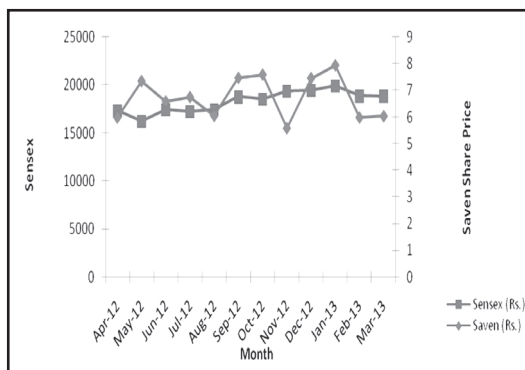
Month	BSE		
	High (Rs.)	Low (Rs.)	Volume (Nos.)
April '12	5.99	4.76	20,708
May	7.35	4.71	1,14,965
June	6.59	5.23	37,331
July	6.75	5.15	29,528
August	6.05	4.71	63,489
September	7.47	5.40	96,206
October	7.59	4.83	66,374
November	5.59	4.14	55,931
December	7.46	4.70	1,62,022
January '13	7.94	5.20	47,336
February	5.99	4.41	25,095
March	6.04	4.10	13,717
Total			7,32,702

(Source : www.bseindia.com)

Share price at BSE



Performance in comparison to broad based indices such as BSE Sensex:



Comparison is done between the Share price- High and Sensex index close price

p. Shareholding Pattern as on March 31, 2013

Category	No. of shareholders	% of shareholders	No. of shares held	Voting strength (%)
Resident individuals	2,039	95.37	36,56,185	33.61
Bodies corporate	76	3.55	13,08,023	12.02
NRI'S/OCBS/Foreign Nationals	16	0.75	10,97,871	10.09
Trust	1	0.05	2,00,000	1.84
Promoter and Promoter Group	6	0.28	46,16,669	42.44
Total	2,138	100.00	1,08,78,748	100.00

q. Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending June 30, 2013	By August 13, 2013
Financial reporting for the second quarter ending September 30, 2013	By November 15, 2013
Financial reporting for the third quarter ending December 31, 2013	By February 15, 2014
Financial results for the year ending March 31, 2014	By May 30, 2014
Annual General Meeting for the year ending March 31, 2014	August/September, 2014

r. Investors' correspondence may be addressed to:

Ms. Ansu Elezabeth Thomas
 Company Secretary
 Saven Technologies Limited,
 No.302, My Home Sarovar Plaza,
 5-9-22, Secretariat Road,
 Hyderabad - 500 063.
 Tel : 040 - 2323 3358,
 040 - 2323 7303 / 04,
 Fax : 040 - 2323 7306
 Email: ansu@saventech.com

s. Queries relating to the financial statements of the Company may be sent to:

Mr. S Mohan Rao
 DGM - Finance & Accounts
 Saven Technologies Limited,
 No.302, My Home Sarovar Plaza,
 5-9-22, Secretariat Road,
 Hyderabad - 500 063.
 Tel : 040-2323 3358, 2323 7303 / 04,
 Fax : 040-2323 7306

Place : Hyderabad Murty Gudipati
 Date : August 13, 2013 Executive Director

Declaration on Code of Conduct

The Board of Directors of Saven Technologies Limited have on January 4, 2006 adopted the Code of Conduct for the Directors and also for the Senior Management Personnel of the Company, which have been posted on the website of the Company.

I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance of the aforesaid Code of Conduct as on 31st March, 2013 and the confirmation to that effect have been given by each of them.

Place : Hyderabad
Date : August 13, 2013

Murty Gudipati
Executive Director

AUDITORS' CERTIFICATE

To
The Members
SAVEN TECHNOLOGIES LIMITED
HYDERABAD.

We have examined the compliance of provisions of Corporate Governance by SAVEN TECHNOLOGIES LIMITED for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges.

The compliance of provisions of Corporate Governance is the responsibility of the management. Our examination has been in the manner prescribed in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the provisions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on our reliance upon the representations made by the management, we certify that the Company has complied with the provisions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the company as per the records maintained by the shareholders / investor's grievance committee.

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.

for RAMBABU & Co.,
Chartered Accountants
Firm Reg. No: 002976S

Place : Hyderabad
Date : August 13, 2013

RAVI RAMBABU
Partner
Membership No.18541

INDEPENDENT AUDITOR'S REPORT

To the Members of
SAVEN TECHNOLOGIES LIMITED.

Report on Financial Statements

We have audited the accompanying financial statements of SAVEN TECHNOLOGIES LIMITED, Hyderabad ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regularity Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) 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;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in

subsection (3C) of section 211 of the Companies Act, 1956.

- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause

(g) of sub-section (1) of section 274 of the Companies Act, 1956.

for Rambabu & Co.,
Chartered Accountants
Firm Reg. No: 002976S

Ravi Rambabu
Partner

Place : Hyderabad
Date : May 2, 2013

Membership No.18541

Annexure to Independent Auditor's Report

1. In respect of its fixed assets;

(a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, all the fixed assets have not been physically verified by the management during the year but there is a program of verification in phased periodical manner at regular intervals; which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

(c) During the year, the company has not disposed off substantial part of the assets. According to the information and explanations given to us, we are of the opinion that no transactions are effected involving disposal of assets so as to affect going concern status of the company.

2. In respect of Inventories;

(a) As explained to us, the Company does not hold any inventories and, hence the question of physical verification, procedures followed for verification and discrepancies thereof does not arise.

3. In respect of loans, secured or unsecured , granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act , 1956;

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken/granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets, office equipment, including the services and for sale of services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956:

a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so 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 with parties covered above during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanation given to us, the Company has not accepted any deposits from the public. Therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
 7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
 8. We are informed and according to the information and explanations given to us, that the Central Government has not prescribed maintenance of cost records under sec 209(1)(d) of the Companies Act, 1956, for the activities of the company.
 9. In respect of statutory dues;
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax Investor Education and Protection Fund, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
 10. In our opinion, the Company has accumulated losses at the end of the year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
 14. In our opinion, the Company is not dealing in or trading in shares, securities, and debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 15. In our opinion, according to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institutions.
 16. In our opinion, according to the information given by the management, we report that the company has raised term loans during the year and the same were applied for the purpose for which they were obtained.
 17. In our opinion, according to the information and explanations given to us and on an overall examination of the statements and records of the Company, that the funds raised on short term basis have, prima facie, not been used during the year for long-term investment.

18. In our opinion, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not issued debentures during the year. In our opinion, the company is not required to create/ register or modify any security (charge) as the company is not holding/ issued any Debentures.
20. In our opinion, the Company has not raised any money by public issue for any specific purpose during the year.
21. Based on the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

for Rambabu & Co.,
Chartered Accountants
Firm Reg. No: 002976S

Ravi Rambabu
Partner
Membership No.18541

Place : Hyderabad
Date : May 2, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(Amount in Rs.)

Particulars	Note	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	108,787,480	108,787,480
(b) Reserves and Surplus	4	16,858,242	(10,316,110)
		125,645,722	98,471,370
2. Current Liabilities			
(a) Long-term borrowings	5	1,050,854	--
(b) Other current liabilities	6	575,577	166,019
(c) Short-term provisions	7	1,726,180	1,661,074
(d) Trade Payables	8	1,555,179	1,652,190
		4,907,790	3,479,283
TOTAL		130,553,512	101,950,653
II. ASSETS			
1 Non - current assets			
(a) Fixed assets			
(i) Tangible assets		15,111,363	13,381,841
(ii) Intangible assets	9	2,085,649	1,885,199
		17,197,012	15,267,040
(b) Non-current investments	10	19,480,072	19,480,072
(c) Long term loans & advances	11	5,098,887	7,098,693
(d) Other non-current assets	12	--	--
2 Current assets			
(a) Trade receivables	13	25,188,089	36,646,335
(b) Cash and Cash Equivalents	14	54,409,907	22,677,321
(c) Short-term loans and advances	15	1,000	252,000
(d) Other current assets	16	9,178,545	529,192
		88,777,541	60,104,848
TOTAL		130,553,512	101,950,653

Notes forming part of the financial statements 1 to 30

In terms of our report attached
for Rambabu & Co.,
Chartered Accountants
Reg. No: 002976S

for and on behalf of the Board

Murty Gudipati
Executive Director

R S Sampath
Director

Ravi Rambabu
Partner
Membership No. 18541
Place : Hyderabad
Date : May 2, 2013

S Mohan Rao
DGM-Finance & Accounts

Ansu Elezabeth Thomas
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Particulars	Note	For the year ended March 31, 2013	For the year ended March 31, 2012
1 Revenue from operations	17	87,487,524	69,293,422
2 Other Income	18	12,599,614	2,784,846
Total Revenue		100,087,138	72,078,268
3 Expenses			
(a) Employee benefits expense	19	51,091,522	40,067,357
(b) Other Expenses	20	14,885,339	12,381,225
(c) Finance costs	21	105,405	28,791
(d) Depreciation and amortisation expense	9	3,281,270	2,719,989
Total Expenses		69,363,536	55,197,362
4 Profit before exceptional items and tax		30,723,602	16,880,906
5 Exceptional items	22	3,708,750	6,137,961
6 Profit before tax (4+5)		34,432,352	23,018,867
7 Tax expense		7,258,000	--
8 Profit from continuing operations (6-7)		27,174,352	23,018,867
9 Earnings Per Share			
(equity share of Rs.10/-each)			
Basic and Diluted	23	2.50	2.12
No. of shares used in computing Earnings per share		10,878,748	10,878,748
Notes forming part of the financial statements	1 to 30		

In terms of our report attached
for Rambabu & Co.,
Chartered Accountants
Reg. No: 002976S

for and on behalf of the Board

Murty Gudipati
Executive Director

R S Sampath
Director

Ravi Rambabu
Partner
Membership No. 18541

Place : Hyderabad
Date : May 2, 2013

S Mohan Rao
DGM-Finance & Accounts

Ansu Elezabeth Thomas
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A Cash Flow from Operating Activities		
Net Profit before Tax	34,432,352	23,018,867
Adjustments for:		
Depreciation	3,281,270	2,719,989
Miscellaneous Expense Written-off	Nil	Nil
Profit / Loss on Sale of Fixed Assets	574,349	Nil
Interest Income	(3,229,785)	(1,180,955)
Interest Expense	105,405	28,791
<i>Operating Profit before working Capital Changes</i>	35,163,591	24,586,692
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	11,458,246	(8,635,501)
Long-term loans and advances	1,999,806	(3,309,086)
Short-term loans and advances	251,000	(112,000)
Other current assets	(8,649,353)	(439,447)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(97,011)	872,937
Other current liabilities	409,558	(187,790)
Short-term provisions	65,106	1,244,426
Long-term borrowings	1,050,854	Nil
Cash generated from operations	41,651,797	14,020,231
Income Taxes Paid	7,258,000	Nil
Net Cash from Operating Activities (A)	34,393,797	14,020,231
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(5,785,591)	(5,400,678)
Interest Received	3,229,785	1,180,955
Net Cash used in Investing Activities	(2,555,806)	(4,219,723)
C. Cash flow from Financing Activities		
Interest paid	(105,405)	(28,791)
Net Cash from Financing Activities	(105,405)	(28,791)
Net Increase / (Decrease) in Cash and Cash Equivalents	31,732,586	9,771,717
Cash & Cash equivalents at the beginning of the period	22,677,321	12,905,604
Cash & Cash equivalents at the end of the period	54,409,907	22,677,321

In terms of our report attached
for Rambabu & Co.,
Chartered Accountants
Reg.No. 002976S

Ravi Rambabu
Partner
Membership No. 18541
Place : Hyderabad
Date : May 2, 2013

Murty Gudipati
Executive Director

S Mohan Rao
DGM-Finance & Accounts

for and on behalf of the Board

R S Sampath
Director

Ansu Elezabeth Thomas
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**1. Corporate information**

Saven Technologies Limited offers a full range of software services from end to end development of new software and web solutions, Enterprise Application Services, to re-engineering and enhancement of legacy applications, application integration and ongoing maintenance.

2. Significant Accounting Policies:**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared under the historical cost convention, on the basis of a going concern, with revenue recognized and expenses accounted on their accrual, including provisions / adjustments for committed obligations and amounts, determined as payable or receivable during the year.

2.2 Cash and cash equivalents

Cash comprises cash on hand and fixed deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4 Fixed Assets

Fixed assets are capitalized at acquisition cost inclusive of freight, installation cost and other incidental expenses incurred during the year.

2.5 Depreciation and amortisation

Depreciation has been provided on the straight-line method as per Section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

2.6 Revenue Recognition

Income from services

Revenues from software related services are accounted for on the basis of services rendered, as per terms of contract.

2.7 Other Income

Interest income is recognized on time proportion basis.

Dividend income on investments is accounted date of the declaration of Dividend.

2.8 Investments

Investments are classified into current investments and long-term investments. Current investments are carried at the lower of cost or fair market value. Any reduction in carrying amount and any reversals of such reduction are charged or credited to the profit and loss account. Long-term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**2.9 Earnings per share (EPS)**

The earnings considered in ascertaining the company's EPS comprises the net profit / loss after tax (And includes the post tax effect of any extraordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

2.10 Employee Benefits*Defined contribution plans:*

Contributions in respect of Employees Provident Fund and Pension Fund are made to a fund administered and managed by the Government of India and are charged as incurred on accrual basis.

Defined benefit plans:

The Company also provides for other employee benefits in the form of gratuity. The Company's Contributions to Gratuity scheme are determined by actuarial valuation and have been made to an approved Fund and the same is charged as expenditure to Profit & Loss account. The gratuity fund is managed by the Life Insurance Corporation of India (LIC).

Long-term employee benefits:

The Company also provides to eligible employee benefits in the form of Leave Encashment. The Company's Contributions are determined by actuarial valuation and have been made to an approved Fund and the same is charged as expenditure to Profit & Loss account. The Leave encashment fund is managed by the Life Insurance Corporation of India (LIC).

Short-term employee benefits:

The undiscounted amount of short-term employee benefits i.e performance incentive expected to be paid in exchange for the services rendered by employee are recognized during the year when employees render the service.

2.11 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on settlement of short-term foreign currency monetary assets are recognized as income or expense in the statement of Profit and Loss account. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognized in the Profit and Loss Account. The long term investments of the Company in the subsidiary in the USA and in the Joint venture in the UK, are recorded at the foreign exchange prevailing on the date of investments.

2.12 Taxes on Income

Although the company has started generating profit, the Deferred Tax Asset / Liability has not recognized based on materiality concept.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note	Particulars	As at March 31, 2013	As at March 31, 2012
------	-------------	----------------------	----------------------

3. SHARE CAPITAL**(a) Authorised**

1,60,00,000 Equity Shares of Rs 10/- each	160,000,000	160,000,000
---	--------------------	-------------

(b) Issued, Subscribed and Fully Paid-up

1,08,78,748 Equity Shares of Rs 10/- each (previous year 1,08,78,748 Equity Shares of Rs 10/- each)	108,787,480	108,787,480
--	--------------------	-------------

Refer notes a & b below

- (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity shares with voting rights				
Opening balance	10,878,748	108,787,480	10,878,748	108,787,480
Closing Balance	10,878,748	108,787,480	10,878,748	108,787,480

Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

- (b) Details of shares held by each shareholder holding more than 5% of equity shares with voting rights:

Particulars	As at March 31, 2013		As at March 31, 2012	
	% Held	No. of Shares.	% Held	No. of Shares
Ch. Arathi	12.97%	1,410,851	12.97%	1,410,851
Avanti Rao	7.90%	859,450	7.90%	859,450
Aditya Narsing Rao	7.79%	847,500	7.79%	847,500
J. Rajya Lakshmi	11.49%	1,249,740	6.89%	749,740
Sridhar Chelikani	2.24%	244,128	6.84%	744,128
Dhari Mohammad Alroomi	7.81%	850,000	7.81%	850,000

Note	Particulars	As at March 31, 2013	As at March 31, 2012
------	-------------	----------------------	----------------------

4. RESERVES AND SURPLUS

(a) Capital Reserve	4,685,900	4,685,900
(b) Share Premium	18,947,380	18,947,380
	23,633,280	23,633,280

(c) Surplus / (Deficit) in Statement of Profit and Loss Balance at the beginning of the year	(33,949,390)	(56,968,257)
Add: Profit for the year	27,174,352	23,018,867

TOTAL	(16,858,242)	(10,316,110)
-------	---------------------	--------------

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note	Particulars	As at March 31, 2013	As at March 31, 2012
5	Long -Term Borrowings		
	Vehicle H.P. Loan * (refer note 6.1)	1,050,854	--
	TOTAL	1,050,854	--
6	Other Current Liabilities		
	(a) Statutory remittances		
	i) Provident Fund	281,158	--
	ii) Other Statutory Remittances	38,555	16,987
	(b) Current Maturities of long term debt		
	i) Vehicle H.P. Loan*	255,864	149,032
	TOTAL	575,577	166,019
6.1	* Vehicle loan from ICICI Bank carries interest @ 11.25%. The loan amount of Rs.1,500,000/- is repayable in 60 monthly instalments of Rs.32,499/- each (including interest) from July 20, 2012. The loan is secured by charge over fixed asset i.e vehicle, for which finance is provided by the lender.		
7	Short Term Provisions		
	Provision for employee benefits	1,726,180	1,661,074
	TOTAL	1,726,180	1,661,074
8	Trade Payable		
	Creditors for Expenses	577,270	368,282
	Creditors for Services	977,909	1,283,908
	TOTAL	1,555,179	1,652,190

8.1 Dues to Micro, small and Medium enterprises has been determined to be Rs. Nil to the extent such parties have been identified on the basis of information available with the company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK		DEPRECIATION / AMORTISATION		NET BLOCK	
	Balance as at 01.04.12	Additions Disposals	Balance as at 01.04.12	Dispo- sales For the year	Balance as at 31.03.13	Balance As at 31.03.12
(i) TANGIBLE ASSETS						
Computer/ Hardware	16,318,206	1,956,483	13,297,469	-	4,119,434	3,020,737
Air Conditioners	3,229,579	37,700	2,428,239	-	609,110	801,340
Furniture and fixtures	16,073,166	409,625	9,855,283	-	5,592,899	6,217,883
Electrical Fittings	3,853,920	309,750	2,505,791	-	1,374,487	1,348,129
Vehicles	2,456,262	2,179,991	833,342	567,833	2,931,986	1,622,920
Office Equipment	1,578,060	223,573	1,207,228	-	483,447	370,832
Total	43,509,193	5,117,122	30,127,352	567,833	15,111,363	13,381,841
Previous Year	39,127,367	4,381,826	27,758,809	-	13,381,841	11,368,558
(ii) INTANGIBLE ASSETS						
Computer Software	5,727,090	668,469	3,841,891	-	2,085,649	1,885,199
Previous Year	4,708,238	1,018,852	3,490,445	-	1,885,199	1,217,793
Total	49,236,283	5,785,591	33,969,243	567,833	17,197,012	15,267,040
Previous Year	43,835,605	5,400,678	31,249,254	-	15,267,040	12,586,351

(iii) Details of assets acquired under hire purchase agreement:

Particulars	Gross Block		Net Block	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Vehicles (Note-5 & 6)	2,179,991	1,314,080	2,035,305	1,021,309

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note	Particulars	As at March 31, 2013	As at March 31, 2012
10. NON-CURRENT INVESTMENTS			
	Trade Investments (at cost)		
	Unquoted Equity Instruments		
	(a) Investment in Subsidiary		
	Saven Technologies Inc.-USA	19,469,130	19,469,130
	4,20,000 (4,20,000) Common Stock USD 1.00 each, fully paid-up, par value USD 1.00 each		
	(b) Investment in Joint Venture		
	Penrilian Limited, UK,	10,942	10,942
	161 (161) ordinary shares at GBP 1.00 each, fully paid-up, par value GBP 1.00 each		
	Aggregate amount of unquoted investments	19,480,072	19,480,072
11. Long Term Loans and Advances			
	(a) Capital advances	41,650	65,000
	Unsecured, Considered good		
	(b) Security Deposits	1,841,693	1,721,477
	Unsecured, Considered good		
	(c) Prepaid Taxes (Net of Tax Provision of Rs.27,58,000/-, Previous year -NIL	1,182,955	3,248,264
	(d) Service Tax Credit Receivable	22,589	53,952
	(e) Saven Employees Stock Option Trust *	2,005,000	2,005,000
	(f) Others	5,000	5,000
	TOTAL	5,098,887	7,098,693
	* Company had advanced Rs. 20 Lakhs to Saven Employees Foundation Trust for acquiring shares in the Company for issuance to employees.		
12. Other Non Current Assets			
	Long term Trade Receivables		
	Unsecured, Considered good		
	Doubtful	3,513,950	11,265,531
	Less:- Provision for Doubtful long term receivables **	3,513,950	11,265,531
	TOTAL	--	--

** During the year the company has recovered an amount of Rs.37,08,750/- out of the doubtful debts of Rs. 112,65,531/-, provided during the earlier years. The Company has written off an amount of Rs.40,42,832/- out of the said doubtful debts which is not recoverable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note	Particulars	As at March 31, 2013	As at March 31, 2012
13.	Trade Receivables		
	Trade Receivable outstanding for a period exceeding six months		
	Secured, Considered good	--	--
	Unsecured, Considered good	--	--
	Other Trade Receivables		
	Secured, Considered good	--	--
	Unsecured, Considered good *	25,188,089	36,646,335
	TOTAL	25,188,089	36,646,335
	* due from subsidiary		
	- Saven Technologies Inc.,USA	24,549,336	35,355,719
14.	Cash and Cash Equivalents		
	Cash on hand	19,337	23,455
	Balances with Banks		
	In Current accounts	1,683,726	3,986,893
	In Deposit Accounts (refer note 14.1 below)	52,706,844	18,666,973
	TOTAL	54,409,907	22,677,321
	14.1 Balances with banks include deposits amounting to Rs.52,706,844/-, which have maturity of less than 12 months on Balance sheet date.		
15.	Short -term loans and advances		
	Loans and advances to employees	1,000	252,000
	TOTAL	1,000	252,000
16.	Other current assets		
	Interest accrued but not due on Deposits	1,396,127	529,192
	Prepaid Expenses	285,922	--
	Dividend Receivable	7,496,496	--
	TOTAL	9,178,545	529,192

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

Note	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
17.	Revenue from Operations		
	Services - Overseas	84,223,854	66,240,862
	Domestic	3,667,059	3,429,856
	Less:- Service Tax	403,389	377,296
	TOTAL	87,487,524	69,293,422
18.	Other Income		
	Interest on Deposits	3,229,785	1,180,955
	Net gain/(loss) on foreign currency transactions	1,868,233	1,603,891
	Other non-operating Income	5,100	--
	Dividend Income	7,496,496	--
	TOTAL	12,599,614	2,784,846
19.	Employee benefit expenses		
	Salaries and Bonus	48,457,237	38,306,637
	Contribution to Provident Fund & Other Funds	1,964,124	1,387,683
	Staff Welfare Expenses	670,161	373,037
	TOTAL	51,091,522	40,067,357
20.	Other Expenses		
	Rent	3,273,900	2,713,416
	Travelling and Conveyance	1,759,746	886,144
	Communication	964,049	709,326
	Prof. and Service Charges	3,114,677	3,475,004
	Electricity Charges	1,460,357	1,060,599
	Office Expenses & Maintenance	1,559,720	1,301,760
	Repairs & Maintenance	1,078,596	1,104,601
	Insurance	193,991	176,903
	Rates & Taxes	183,336	202,271
	Other Miscellaneous Expenses	561,772	469,360
	Advertisement & Promotion Expenses	165,699	152,420
	Loss on Sale of Fixed Assets	394,349	--
	Bank Charges	35,147	19,421
	Auditors Remuneration (note 20.1)	140,000	110,000
	TOTAL	14,885,339	12,381,225
20.1	Auditors Remuneration Comprises (excluding service tax)		
	i) Statutory Audit Fee	120,000	90,000
	ii) Tax Audit Fee	20,000	20,000
	TOTAL	140,000	110,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in Rs.)

	As at March 31, 2013	As at March 31, 2012
21. Finance Cost		
Interest on Vehicle Loans	105,405	28,791
TOTAL	105,405	28,791

22. Exceptional items

During the year, Company has recovered an amount of Rs.37,08,750 against provision for doubtful debts of Rs.112,65,531/- which was provided in earlier years. The amount received during the year have been credited to Statement of Profit and Loss for the year ended March 31, 2013 as exceptional items.

(Amount in Rs.)

	As at March 31, 2013	As at March 31, 2012
23. Earnings Per Share		
<u>Basic</u>		
<u>Total operations</u>		
Net profit / (loss) for the period attributable to the equity shareholders	27,174,352	23,018,867
Weighted average number of equity shares	10,878,748	10,878,748
Par value per share	10.00	10.00
Earnings per share - Basic	2.50	2.12

Diluted

The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

Total operations

Net profit / (loss) for the year attributable to the equity shareholders	27,174,352	23,018,867
Weighted average number of equity shares for Basic EPS	10,878,748	10,878,748
Weighted average number of equity shares for diluted EPS	10,878,748	10,878,748
Par value per share	10.00	10.00
Earnings per share - Diluted	2.50	2.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24. Contingent Liabilities not acknowledged as debt: **NIL**

25. Employee Benefits under defined Benefit Plans

(a) Gratuity

Actuarial data on defined Benefit Plans: (Amount in Rs.)

	31.03.2013	31.03.2012
Present value of obligation at the beginning of the year	1,249,226	993,520
Current Service Cost	238,445	235,188
Interest Cost	118,115	78,748
Benefits Paid	Nil	(27,692)
Present value of obligation at the end of the year	1,605,786	1,307,456
Assumptions		
Discount Rate	8% p.a	8% p.a
Salary Escalation	4%	4%
Interest Rate applicable	9%	9%

(b) Leave Encashment

Actuarial data on defined Benefit Plans: (Amount in Rs.)

	31.03.2013	31.03.2012
Present value of Past service	525,809	468,069
Current Service Cost	47,583	18,338
Interest Cost	43,873	359
Present value of obligation at the end of the year	617,265	486,766
Assumptions		
Discount Rate	8% p.a	8% p.a
Salary Escalation	3%	3%
Interest Rate applicable	9%	9%

26. Related Party Transactions

A. Details of related parties:

S.No.	Relationship	Names of the related parties
1.	Subsidiary	Saven Technologies Inc., USA,
2.	Joint venture	Penrillian Limited, U.K
3.	Associates	Pennar Industries Limited - Common Director Pennar Engineered Building Systems Limited - Common Director Pennar Enviro Limited-Common Director
4.	Key Management Person	Mr. Murty Gudipati - Executive Director

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. Details of related party transactions during the year ended March 31, 2013 and balances outstanding as at March 31, 2013. (Amount in Rs.)

Particulars	Subsidiary	Joint venture	Associates	Key Management Person
Revenue	84,223,854 (66,240,862)	-- --	3,263,670 (2,880,551)	-- --
Exceptional Item	3,708,750 (6,137,961)	-- --	-- --	-- --
Director - Remuneration	-- --	-- --	-- --	3,227,503 (2,418,000)
Trade Receivables	24,549,336 (35,355,719)	-- --	638,753 (1,290,616)	-- --
Investments	19,469,130 (19,469,130)	10,942 (10,942)	-- --	-- --

Note: Figures in bracket relates to the previous year.

27. Segment Details

The Company is mainly engaged in the Software Development and Services. Hence there is no separate reportable segment as per Accounting Standard-17 issued by the Institute of Chartered Accountants of India.

28. (i) Foreign Currency Transactions:

(Amount in Rs.)

Sl.No.	Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
1	Inflow in foreign currency (on receipt basis) Income from Software Development and Technology Consultancy Services	100,122,750	66,597,170
2	Outflow in foreign Currency (on payment basis)	327,347	--

29. Figures have been rounded off to the nearest rupee.**30. Reclassification:**

These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous years' figures have been recast / restated.

Note 1 to 30 form part of the Balance Sheet and have been authenticated.

In terms of our report attached
for Rambabu & Co.,
Chartered Accountants
Reg.No:002976S

for and on behalf of the Board

Murty Gudipati
Executive Director

R S Sampath
Director

Ravi Rambabu
Partner
Membership No. 18541

Place : Hyderabad
Date : May 2, 2013

S Mohan Rao
DGM-Finance & Accounts

Ansu Elezabeth Thomas
Company Secretary

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

1	Name of the Subsidiary Company	Saven Technologies, Inc.
2	Financial year of the Subsidiary ended on	March 31, 2013
3	Shares of Subsidiary Company held on the above date and extent of holding	
	(i) Number of shares held	420,000
	(ii) Extent of holding	57%
4	Net aggregate amount of profits / (losses) of the Subsidiary for the above financial year so far as they concern members of Saven Technologies Limited:	
	(i) dealt with in the Accounts of Saven Technologies Limited	Nil
	(ii) not dealt with in the Accounts of Saven Technologies Limited	Profit : USD 233,961 (Rs.12,154,274)
5	Net aggregate amount of profits / (losses) for previous financial years of the Subsidiary so far as they concern members of Saven Technologies Limited:	
	(i) dealt with in the Accounts of Saven Technologies Limited	Nil
	(ii) not dealt with in the Accounts of Saven Technologies Limited	Profit : USD 952,743 (Rs.44,921,832)

Note: Saven Technologies, Inc. became a Subsidiary of the Company with effect from May 31, 2001.

for and on behalf of the Board

Murty Gudipati
Executive Director

R S Sampath
Director

Place : Hyderabad
Date : August 13, 2013

S Mohan Rao
DGM-Finance & Accounts

Ansu Elezabeth Thomas
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting their report together with audited financial statements for the year ended March 31, 2013.

Your Directors are pleased to inform that your Company could sustain the revenue at \$ 14.12 Million for the financial year 2012-13 as compared to \$ 13.61 Million for the previous year despite a sluggish growth in the economy. With continued focus on operational efficiency and controlling costs on sustainable basis, the Company maintained an operating income at \$ 409 K compared to \$ 401 K for the previous year. The Net Profit after income tax was \$ 237 K as against \$ 229 K for the previous year.

With the USCIS implementing significant changes in the H1B process including a substantial increase in the processing fee for VISA petition, your Company has not been able to scale up the number of employees although there is demand for skilled technical services. Therefore other alternatives are being explored for increasing the employee strength for developing additional business. In addition, your Company is focusing on strengthening the Offshore Business.

Your Company has increased the paid up share capital to \$ 7,35,000 from \$ 6,90,000 during the year under review. Your Directors are pleased to inform you that based on the financial performance of the Company and with a healthy cash reserve, have declared dividend of \$ 0.33 (33%) per equity share of face value of \$ 1 on the enhanced share capital.

Your Company continues to be a subsidiary of Saven Technologies Limited, India. Your Directors are of the opinion that this association will be helpful for further growth.

For Saven Technologies, Inc.

Sridhar Chelikani
Director & President

May 2, 2013

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Saven Technologies, Inc.
Schaumburg, Illinois
USA

We have audited the accompanying statement of financial condition of Saven Technologies, Inc. as of March 31, 2013, and the related statements of income, members' equity (deficit), and cash flows for the year then ended. 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 generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saven Technologies, Inc., as of March 31, 2013, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Johnson & Dutt, Inc.
Elmhurst, Illinois
May 2, 2013

Saven Technologies, Incorporated (a subsidiary of Saven Technologies Limited)

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	As at March 31, 2013		As at March 31, 2012	
	USD	Rs.	USD	Rs.
Assets				
<i>Current Assets</i>				
Cash	1,451,656	77,808,762	1,047,072	52,667,722
Accounts Receivable	2,026,908	108,642,269	2,275,937	114,479,631
Notes Receivable	9,400	503,840	8,000	402,400
Prepaid Expenses	6,061	324,870	6,061	304,868
Investments	117	5,677	117	5,677
Total Current Assets	3,494,142	187,285,418	3,337,187	167,860,298
<i>Fixed Assets, At Cost (See Note 1)</i>				
Property and Equipment	326,525	17,501,740	259,320	13,043,796
Less: Accumulated Depreciation	296,748	15,905,693	240,968	12,120,690
Total Fixed Assets	29,777	1,596,047	18,352	923,106
Other Assets				
Notes Receivable	123859	6638842	167,893	8,445,018
Total Assets	3,647,778	195,520,307	3,523,432	177,228,422
Liabilities and Stockholder's Equity				
<i>Current Liabilities:</i>				
Notes Payable Due within One Year	354,373	18,994,393	216,022	10,865,907
Accounts Payable	154,029	8,255,954	315,624	15,875,887
Due to Saven India	458,010	24,549,336	702,897	35,355,719
Other Accrued Expenses	759,662	40,717,883	646,146	32,501,144
Dividend Payable	244,755	13,118,868	--	--
Total Current Liabilities	1,970,829	105,636,434	1,880,689	94,598,657
Stockholder's Equity				
Capital Stock 7,50,000 Shares Authorised 7,35,000 Shares Issued	735,000	34,229,550	690,000	31,817,550
Gain from foreign currency translation (net of income tax) (See Note 1)	31,824	1,705,766	35,431	1,782,179
Retained Earnings	910,125	53,948,557	917,312	49,030,036
Total Stockholders' Equity	1,676,949	89,883,873	1,642,743	82,629,765
Total Liabilities and Stockholders' Equity	3,647,778	195,520,307	3,523,432	177,228,422

Saven Technologies, Incorporated (a subsidiary of Saven Technologies Limited)

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	USD	Rs.	USD	Rs.
Sales	14,124,134	733,748,761	13,579,848	640,289,833
Gross Income	14,124,134	733,748,761	13,579,848	640,289,833
Cost of Sales	12,754,746	662,609,055	12,112,651	571,111,495
Gross Profit	1,369,388	71,139,706	1,467,197	69,178,339
Operating Expenses (See Schedule A)	939,933	48,921,559	1,084,358	51,230,998
Net Operating Income	429,455	22,218,147	382,839	17,947,340
Other Income & (Expense) (See Schedule B)	(191,887)	(9,968,529)	(154,195)	(7,270,294)
Net Income Profit / (Loss)	237,568	12,249,618	228,644	10,677,046
Retained Earnings, April 01, 2012	917,312	--	688,668	--
Dividend	244,755	--	--	--
Retained Earnings, March 31, 2013	910,125	12,249,618	917,312	10,677,046

SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED MARCH 31, 2013

SCHEDULE - A

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	USD	Rs.	USD	Rs.
Operating Expenses				
Advertising & Promotion	29,896	1,553,097	26,892	1,267,958
Bad Debts	7,191	373,572	31,359	1,478,577
Bank Service charge	5,990	311,181	5,782	272,621
Depreciation	55,780	2,989,808	32,863	1,653,009
Dues & Subscription	25,849	1,342,856	13,351	629,500
Equipment Rent	18,968	985,388	6,018	283,749
Insurance	47,601	2,472,872	36,012	1,697,966
Licenses & Permits	8,183	425,107	2,673	126,032
Meals & entertainment	44,163	2,294,268	36,793	1,734,790
Office expenses 37,263	1,935,813	49,590	2,338,169	
Professional Fees	367,587	19,096,145	499,739	23,562,694
Referral fees	17,250	896,138	27,000	1,273,050
Relocation expenses	80,185	4,165,611	147,574	6,958,114
Repairs & Maintenance	31,640	1,643,698	2,532	119,384
Rent	60,816	3,159,391	69,800	3,291,070
Telephone	39,602	2,057,324	35,347	1,666,611
Travel	61,030	3,170,509	57,402	2,706,504
Utilities	939	48,781	3,631	171,202
Total Operating Expenses	939,933	48,921,559	1,084,358	51,230,998

Saven Technologies, Incorporated (a subsidiary of Saven Technologies Limited)

SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	USD	Rs.	USD	Rs.
SCHEDULE - B				
Other Income & (Expense)				
Other Income				
Interest Income	3,987	207,125	3,128	147,485
Interest Expense	(8,743)	(454,199)	(16,278)	(767,507)
Other Income / Expense	(15,356)	(797,744)	31,849	1,501,680
Income Tax	(171,775)	(8,923,711)	(172,894)	(8,151,952)
Total Other Income & (Expenses)	(191,887)	(9,968,529)	(154,195)	(7,270,294)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	USD	Rs.	USD	Rs.
<i>Cash Flows from Operating Activities</i>				
Net Income	237,568	12,249,618	228,644	10,677,046
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	55,780	2,989,808	32,863	1,653,009
Changes in Assets and Liabilities :				
Accounts Receivable	249,029	13,347,954	(224,522)	(11,293,457)
Accounts Payable	(406,482)	(21,787,435)	91,503	4,602,601
Dividend Payable	244,755	13,118,868	--	--
Accrued Expenses	113,516	6,084,458	315,373	15,863,262
Net Cash Provided by Operating Activities	494,166	26,003,271	443,861	21,502,461
<i>Cash Flows from Investing Activities :</i>				
Adjustment from Foreign Currency Translation	(3,607)	(193,335)	(3,901)	(196,220)
Proceeds from Stock Issuance	45,000	2,412,000	--	--
Declared Dividend	(244,755)	(13,118,868)	--	--
Asset acquisitions	(67,205)	(3,602,188)	(21,287)	(1,070,736)
Increase/ Decrease in notes receivable	42,634	2,285,182	94,010	4,728,703
Net Cash Used in Investing Activities	(227,933)	(12,217,209)	68,822	3,461,747
<i>Cash Flows from Financing Activities :</i>				
Net Proceeds from Loans	138,351	7,415,614	(188,465)	(9,479,790)
Net Cash Used in Financing Activities	138,351	7,415,614	(188,465)	(9,479,790)
Net Decrease in Cash and Cash Equivalents	404,584	21,201,676	324,218	15,484,418
Cash and Cash Equivalents, Beginning of Year	1,047,072	56,607,086	722,854	37,183,304
Cash and Cash Equivalents, End of Year	1,451,656	77,808,762	1,047,072	52,667,722

Notes to Financial Statements for the year ended March 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF BUSINESS

Nature of Operations

Saven Technologies, Inc. (Company) is a service company which offers IT consulting, Project Management, Remote Services and Enterprise software development services. The Company grants credit to substantially all of its customers. The Company recruits the majority of their consultants from India, therefore must comply with changing US immigration policies.

The Company also offers a full range of software outsourcing services from end to end development of new software and web solutions, Enterprise Application Services to re-engineering and enhancement of legacy applications, application integration and ongoing maintenance and support through Saven Technologies Limited (India).

Significant Accounting Policies

The following is a summary of the significant account policies consistently applied by Management in the preparation of the accompanying financial statements.

Equity Adjustment from Foreign Currency Translation

The Company has a note receivable with a Foreign Corporation. The functional currency for translating this note is in British Pounds. The aggregate adjustment resulting from the translation of the note from British Pounds to US Dollars decreased Stockholders' equity by \$ 31,824 net of income tax effect.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost and is depreciated using straight-line and accelerated methods over estimated useful lives of 5 to 7 years for computers and equipment.

Repairs and maintenance are charged to expense when incurred.

Income Taxes

The Company is a C Corporation under the Internal Revenue Code and, therefore, is subject to federal and certain state income taxes.

2. LINE OF CREDIT

The Company has a line of credit with LaSalle Bank maturing on June 2013. In accordance with the terms of this agreement, the Company may borrow up to \$400,000. Interest is payable at LIBOR Daily Floating Rate plus 2.75%, 2.95% at March 31, 2013. The balance at March 31, 2013 is \$314,983.

3. BUILDING LEASE

The Company occupies leased office space in Schaumburg, Illinois. The lease agreement requires monthly rental payment through July 2014. In addition, the Company is responsible for insurance and maintenance of the property.

For the year ended March 31, 2013, rent expense was approximately \$ 60,816.

4. RELATED PARTIES

Saven Technologies Limited (India):

This Corporation holds a 57% interest in Saven Technologies, Inc. (USA). Saven Technologies Limited (India) carries out the full range of software services being outsourced by Saven Technologies Inc (USA). In this regard a separate agreement was entered into for offshore software services. The amount due to Saven Technologies (India) at March 31, 2013 is \$ 458,010.

5. PENSION PLAN

In 2001, the Company adopted a 401(k) plan for all eligible employees. The Company, at their discretion, can match to employee's account. Matching contributions by the Company were \$ 0 for the period. The plan also allows for discretionary profit sharing contributions. There were no discretionary contributions for the year ending March 31, 2013.

Note: Indian Rupee equivalent of figures have been arrived at by applying the year end and average exchange rate of USD 1.00 = Rs.53.60 and Rs.51.95 respectively (Previous Year: USD 1.00 = Rs.50.30 and Rs.47.15)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
SAVEN TECHNOLOGIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s SAVEN TECHNOLOGIES LIMITED ('the Company') which comprise the consolidated Balance Sheet as at 31st March 2013, the consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant Accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of USA Subsidiary, Saven Technologies, Inc., whose financial statements reflect total assets of Rs.195,520,307 as at 31st March, 2013 and total revenues of Rs.733,748,761 for the year ended on that date. These financial statements have been audited by other auditors, whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the Subsidiary, is based solely on the report of the other auditors.

for Rambabu & Co.,
Chartered Accountants
Firm Reg. No: 002976S

Ravi Rambabu
Partner

Place : Hyderabad
Date : May 2, 2013

Membership No.18541

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(Amount in Rs.)

Particulars	Note	As at	
		March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	3	108,787,480	108,787,480
(b) Reserves and Surplus	4	48,212,847	18,390,849
		157,000,327	127,178,329
2. Current Liabilities			
(a) Long-term borrowings	5	1,050,854	--
(b) Other current liabilities	6	575,577	166,019
(c) Short-term borrowings	7	18,994,393	10,865,907
(d) Trade Payables	8	44,496,926	37,465,921
(d) Short-term provisions	9	7,782,980	15,881,035
		72,900,730	64,378,882
3. Minority Interest			
		44,133,696	32,333,468
TOTAL		274,034,753	223,890,679
II. ASSETS			
1 Non - current assets			
(a) Fixed assets			
(i) Tangible assets		16,183,306	13,841,404
(ii) Intangible assets	10	2,085,649	1,885,199
		18,268,955	15,726,603
(b) Non-current investments	11	16,619	16,619
(c) Long term loans & advances	12	11,737,729	15,848,576
(d) Other non-current assets	13	--	--
2 Current assets			
(a) Trade receivables	14	109,281,022	115,770,247
(b) Cash and Cash Equivalents	15	132,218,669	75,345,042
(c) Short-term loans and advances	16	504,840	654,400
(d) Other current assets	17	2,006,919	529,192
		244,011,450	192,298,881
TOTAL		274,034,753	223,890,679

Notes forming part of the financial statements 1 to 29

In terms of our report attached
for Rambabu & Co.,
Chartered Accountants
Reg. No: 002976S

for and on behalf of the Board

Murty Gudipati
Executive Director

R S Sampath
Director

Ravi Rambabu
Partner
Membership No. 18541

Place : Hyderabad
Date : May 2, 2013

S Mohan Rao
DGM-Finance & Accounts

Ansu Elezabeth Thomas
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Particulars	Note	For the year ended March 31, 2013	For the year ended March 31, 2012
1 Revenue from operations	18	737,012,431	643,342,393
2 Other Income	19	5,122,859	4,250,079
Total Revenue		742,135,290	647,592,472
3 Expenses			
(a) Employee benefits expense	20	633,642,334	551,896,104
(b) Other Expenses	21	57,183,393	55,001,100
(c) Finance costs	22	559,604	796,299
(d) Depreciation and amortisation expense	10	6,271,078	4,372,998
Total Expenses		697,656,409	612,066,501
4 Profit before exceptional items and tax		44,478,881	35,525,971
5 Exceptional items	23	3,708,750	6,137,961
6 Profit before tax (4+5)		48,187,631	41,663,932
7 Tax expense		16,471,488	8,151,952
8 Profit from continuing operations (6-7)		31,716,143	33,511,980
9 Minority Interest		5,363,829	4,423,529
10 Profit for the year after Minority Interest		26,352,314	29,088,451
11 Earnings Per Share (equity share of Rs.10/-each)			
Basic and Diluted	24	2.42	2.67
No. of shares used in computing Earnings per share		10,878,748	10,878,748

Notes forming part of the financial statements 1 to 29

In terms of our report attached
for Rambabu & Co.,
Chartered Accountants
Firm Reg. No: 002976S

for and on behalf of the Board

Ravi Rambabu
Partner
Membership No. 18541

Murty Gudipati
Executive Director

R S Sampath
Director

Place : Hyderabad
Date : May 2, 2013

S Mohan Rao
DGM-Finance & Accounts

Ansu Elezabeth Thomas
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A Cash Flow from Operating Activities		
Net Profit before Tax	48,187,631	41,663,932
Adjustments for:		
Depreciation	6,271,078	4,372,998
Miscellaneous Expense Written-off	Nil	Nil
Profit / Loss on Sale of Fixed Assets	5,74,349	Nil
Interest Income	(3,436,910)	(1,328,440)
Interest Expense	559,604	796,299
Translation of Foreign Currency	3,469,684	Nil
<i>Operating Profit before working Capital Changes</i>	55,625,436	45,504,789
Adjustments for (increase) / decrease in operating assets:		
Trade Receivables	6,489,225	(25,468,775)
Long-term loans and advances	4,110,847	(1,546,797)
Short-term loans and advances	149,560	7,389,332
Other current assets	(1,477,727)	(439,447)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	7,031,005	10,085,231
Other current liabilities	409,558	(187,790)
Short-term provisions	(8,098,055)	12,824,387
Short-term borrowings	8,128,486	(6,931,521)
Long-term borrowings	1,050,854	Nil
Minority Interest	6,436,399	3,495,678
Cash generated from operations	79,855,588	44,725,087
Income Taxes Paid	16,471,488	8,151,952
Net Cash from Operating Activities (A)	63,384,100	36,573,135
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(9,387,779)	(6,471,414)
Interest Received	3,436,910	1,328,440
Net Cash used in Investing Activities	(5,950,869)	(5,142,974)
C. Cash flow from Financing Activities		
Interest paid	(559,604)	(796,299)
Net Cash from Financing Activities	(559,604)	(796,299)
Net Increase / (Decrease) in Cash and Cash Equivalents	56,873,627	30,633,862
Cash & Cash equivalents at the beginning of the period	75,345,042	44,711,180
Cash & Cash equivalents at the end of the period	132,218,669	75,345,042

In terms of our report attached
for Rambabu & Co.,
Chartered Accountants
Reg.No. 002976S

for and on behalf of the Board

Murty Gudipati
Executive Director

R S Sampath
Director

Ravi Rambabu
Partner
Membership No. 18541
Place : Hyderabad
Date : May 2, 2013

S Mohan Rao
DGM-Finance & Accounts

Ansu Elezabeth Thomas
Company Secretary

Consolidated Notes forming part of the Financial Statements**1. Corporate information**

Saven Technologies Limited offers a full range of software outsourcing services from end to end development of new software and web solutions, Enterprise Application Services, to re-engineering and enhancement of legacy applications, application integration and ongoing maintenance. The Company has set up a subsidiary, Saven Technologies Inc, USA, a service company which offers IT Services, Project Management, Remote Services and Enterprise software development services.

2. Significant Accounting Policies:**2.1 Basis of Consolidation:**

The Consolidated Financial Statements relate to Saven Technologies Limited (the Company) and its subsidiary company Saven Technologies Inc, USA (STI) where in the Company holds 57% share as on 31.03.2013.

The consolidated financial statements of the company and its subsidiary have been prepared by adding together the book values of like items of assets, liabilities, income and expenses. All intra group transactions, balances and unrealized profits/losses on transactions have been fully eliminated in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

Minority Interest's share of net loss for the year is identified and adjusted against the loss in order to arrive at the net loss attributable to the shareholders of the company.

Minority Interest's share of net assets of subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2.2 Cash and cash equivalents:

Cash comprises cash on hand and fixed deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.3 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4 Fixed Assets:

Fixed assets are capitalised at acquisition cost inclusive of freight, installation cost and other incidental expenses incurred during the year.

2.5 Depreciation and amortisation

Depreciation has been provided on the basis of Straight Line Method.

2.6 Revenue Recognition:

Income from software related services is accounted for on the basis of services rendered and billed to clients on acceptance and / or on the basis of man-hours spent, as per the terms of contract with clients.

The Company recognizes revenue from engagement services based on the number of engagements performed. Revenues from time period services are recognized based on the time incurred in providing services at contracted rates.

Consolidated Notes forming part of the Financial Statements**2.7 Other Income:**

Interest income is recognized on time proportion basis.

Dividend income on investments is accounted for when the right to receive the payment is established.

2.8 Investments:

Investments are classified into current investments and long-term investments. Current investments are carried at the lower of cost or fair market value. Any reduction in carrying amount and any reversals of such reduction are charged or credited to the profit and loss account. Long-term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments.

2.9 Earnings per share (EPS):

The earnings considered in ascertaining the company's EPS comprises the net profit / loss after tax (And includes the post tax effect of any extraordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

2.10 Employee Benefits:*Defined contribution plans:*

Contributions in respect of Employees Provident Fund and Pension Fund are made to a fund administered and managed by the Government of India and are charged as incurred on accrual basis.

Defined benefit plans:

The Company also provides for other employee benefits in the form of gratuity. The Company's Contributions to Gratuity scheme are determined by actuarial valuation and have been made to an approved Fund and the same is charged as expenditure to Profit & Loss account. The gratuity fund is managed by the Life Insurance Corporation of India (LIC).

Long-term employee benefits:

The Company also provides to eligible employee benefits in the form of Leave Encashment. The Company's Contributions are determined by actuarial valuation and have been made to an approved Fund and the same is charged as expenditure to Profit & Loss account. The Leave encashment fund is managed by the Life Insurance Corporation of India (LIC).

2.11 Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognized in the Profit and Loss Account.

The consolidated financial statements are prepared in Indian Rupees. The Indian Rupee is the functional currency of Saven Technologies Limited, the parent company. However, the U.S. Dollar and the Great Britain Pound are the functional currencies for its subsidiaries located in the U.S. and the U.K. respectively.

For the purpose of Consolidation, as per International Accounting Standard (IAS) 21- "the effects of changes in Foreign exchange rates". Assets and Liabilities of non- Indian subsidiaries are translated at the Balance Sheet date. Income and Expenditure are translated at the average rate during the year.

Consolidated Notes forming part of the Financial Statements

(Amount in Rs.)

Note	Particulars	As at March 31, 2013		As at March 31, 2012	
------	-------------	----------------------	--	----------------------	--

3. SHARE CAPITAL**(a) Authorised**

1,60,00,000 Equity Shares of Rs 10/- each	160,000,000		160,000,000
---	--------------------	--	-------------

(b) Issued, Subscribed and Paid-up

1,08,78,748 Equity Shares of Rs 10/- each (previous year 1,08,78,748 Equity Shares of Rs 10/- each)	108,787,480		108,787,480
--	--------------------	--	-------------

Refer notes a & b below:

- (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
Equity shares with voting rights				
Opening balance	10,878,748	108,787,480	10,878,748	108,787,480
Closing Balance	10,878,748	108,787,480	10,878,748	108,787,480

Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

- (b) Details of shares held by each shareholder holding more than 5% of equity shares with voting rights:

Particulars	As at March 31, 2013		As at March 31, 2012	
	% Held	No. of Shares	% Held	No. of Shares
Ch. Arathi	12.97%	1,410,851	12.97%	1,410,851
Avanti Rao	7.90%	859,450	7.90%	859,450
Aditya Narasing Rao	7.79%	847,500	7.79%	847,500
J. Rajya Lakshmi	11.49%	1,249,740	6.89%	749,740
Sridhar Chelikani	2.24%	244,128	6.84%	744,128
Dhari Mohammad Alroomi	7.81%	850,000	7.81%	850,000

Note	Particulars	As at March 31, 2013		As at March 31, 2012	
------	-------------	----------------------	--	----------------------	--

4. RESERVES AND SURPLUS

(a) Capital Reserve	4,685,900		4,685,900
(b) Share Premium	18,947,380		18,947,380
	23,633,280		23,633,280

(c) Surplus / (Deficit) in Statement of Profit and Loss Balance at the beginning of the year	(3,535,490)		(32,623,941)
Add: Profit for the year	2,6352,314	22,816,824	29,088,451
			(3,535,490)

(d) Currency Translation Reserve		1,762,743	(1,706,941)
----------------------------------	--	------------------	-------------

TOTAL		48,212,847	18,390,849
--------------	--	-------------------	------------

Consolidated Notes forming part of the Financial Statements

(Amount in Rs.)

Note Particulars	As at March 31, 2013	As at March 31, 2012
5. Long -Term Borrowings		
Vehicle H.P. Loan * (refer note 6.1)	1,050,854	--
TOTAL	1,050,854	--
6. Other Current Liabilities		
(a) Statutory remittances		
i) Provident Fund	281,158	--
ii) Other Statutory Remittances	38,555	16,987
(b) Current Maturities of long term debt		
i) Vehicle H.P. Loan*	255,864	149,032
TOTAL	575,577	166,019
6.1 * Vehicle loan from ICICI Bank carries interest @ 11.25%. The loan amount of Rs.1,500,000/- is repayable in 60 monthly instalments of Rs.32,499/- each (including interest) from July 20, 2012. The loan is secured by charge over fixed asset i.e vehicle, for which finance is provided by the lender.		
7. Short-term borrowings		
i) Loan repayable to banks	16,883,089	10,059,145
ii) Loan repayable to others	2,111,304	806,762
TOTAL	18,994,393	10,865,907
8. Trade Payable		
i) Creditors for Expenses	7,750,933	37,465,921
ii) Creditors for Services	36,745,993	--
TOTAL	44,496,926	37,465,921
8.1 Dues to Micro, small and Medium enterprises has been determined to be Rs. Nil to the extent such parties have been identified on the basis of information available with the company.		
9. Short Term Provisions		
i) Provision for employee benefits	1,726,180	9,845,035
ii) Provision for Income Tax	6,056,800	6,036,000
TOTAL	7,782,980	15,881,035

Consolidated Notes forming part of the Financial Statements

10. FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK		DEPRECIATION / AMORTISATION		NET BLOCK	
	Balance as at 01.04.12	Additions Disposals	Balance as at 01.04.12	Dispo- sals For the year	Balance as at 31.03.13	Balance As at 31.03.12
(i) TANGIBLE ASSETS						
Computer/ Hardware	28,055,921	5,558,671	24,575,621	- 3,847,594	28,423,215	3,480,300
Air Conditioners	3,229,579	37,700	2,428,239	- 229,930	2,658,169	801,340
Furniture and fixtures	16,073,166	409,625	9,855,283	- 1,034,609	10,889,892	6,217,883
Electrical Fittings	3,853,920	309,750	2,505,791	- 283,392	2,789,183	1,348,129
Vehicles	2,456,262	2,179,991	833,342	567,833	562,085	1,622,920
Office Equipment	1,578,060	223,573	1,207,228	- 110,958	1,318,186	370,832
Total	55,246,908	8,719,310	41,405,504	567,833	46,640,730	13,841,404
Previous Year	49,794,346	5,452,562	37,383,952	- 4,021,552	41,405,504	12,410,394
(ii) INTANGIBLE ASSETS						
Computer Software	5,727,090	668,469	3,841,891	- 468,019	4,309,910	1,885,199
Previous Year	4,708,238	1,018,852	3,490,445	- 351,446	3,841,891	1,217,793
Total	60,973,998	9,387,779	45,247,395	567,833	50,950,640	15,726,603
Previous Year	54,502,584	6,471,414	40,874,397	- 4,372,998	45,247,395	13,628,187

(iii) Details of assets acquired under hire purchase agreement:

Particulars	Gross Block		Net Block	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Vehicles (Note-5 & 6)	2,179,991	1,314,080	2,035,305	1,021,309

Consolidated Notes forming part of the Financial Statements

(Amount in Rs.)

Note Particulars	As at March 31, 2013	As at March 31, 2012
11. NON-CURRENT INVESTMENTS		
Investment in Joint Venture		
Penrilian Limited, UK, 161 (161) ordinary shares at GBP 1.00 each, fully paid-up, par value GBP 1.00 each	16,619	16,619
Aggregate amount of unquoted investments	16,619	16,619
12. Long Term Loans and Advances		
(a) Capital advances Unsecured, Considered good	41,650	65,000
(b) Security Deposits Unsecured, Considered good	1,841,693	2,026,345
(c) Advance Tax and TDS (Net of Tax provision)	1,182,955	3,248,264
(d) Service Tax Credit Receivable	22,589	53,952
(e) Saven Employees Stock Option Trust *	2,005,000	2,005,000
(f) Others	1,345,000	5,000
(g) Note Receivable	5,298,842	8,445,015
TOTAL	11,737,729	15,848,576
* Company had advanced Rs. 20 Lakhs to Saven Employees Foundation Trust for acquiring shares in the Company for issuance to employees.		
13. Other Non Current Assets		
Long term Trade Receivables		
Unsecured, Considered good		
Doubtful	3,513,950	11,265,531
Less:- Provision for Doubtful long term receivables **	3,513,950	11,265,531
TOTAL	--	--

** During the year the company has recovered an amount of Rs.37,08,750/- out of the doubtful debts of Rs.112,65,531/-, provided during the earlier years. The Company has written off an amount of Rs.40,42,832/- out of the said doubtful debts which is not recoverable.

Consolidated Notes forming part of the Financial Statements

(Amount in Rs.)

Particulars	As at March 31, 2013	As at March 31, 2012
14. Trade Receivables		
Trade Receivable outstanding for a period exceeding six months		
Secured, Considered good	--	--
Unsecured, Considered good	--	--
Other Trade Receivables		
Secured, Considered good	--	--
Unsecured, Considered good	109,281,022	115,770,247
TOTAL	109,281,022	115,770,247
15. Cash and Cash Equivalents		
Cash on hand	19,337	23,455
Balances with Banks		
In Current accounts	6,135,099	8,134,178
In Deposit Accounts	126,064,233	67,187,409
TOTAL	132,218,669	75,345,042
16. Short-term loans and advances		
Loans and advances to employees	504,840	654,400
TOTAL	504,840	654,400
17. Other current assets		
Interest accrued but not due on Deposits	1,396,127	529,192
Prepaid Expenses	610,792	--
TOTAL	2,006,919	529,192

Consolidated Notes forming part of the Financial Statements

(Amount in Rs.)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
18. Revenue from operations		
Services - Overseas	733,748,761	640,289,833
Domestic	3,263,670	3,052,560
TOTAL	737,012,431	643,342,393
19. Other Income		
Interest on Deposits	3,436,910	1,328,440
Net gain/(loss) on foreign currency transactions	1,680,849	2,921,639
Other non-operating Income	5,100	--
TOTAL	5,122,859	4,250,079
20. Employee benefit expenses		
Salaries and Bonus	626,842,438	543,177,270
Contribution to Provident & Other Funds	1,964,124	1,387,683
Staff Welfare Expenses	670,161	373,037
Staff Relocation	4,165,611	6,958,114
TOTAL	633,642,334	551,896,104
21. Other Expenses		
Rent	6,433,291	6,004,486
Travelling and Conveyance	4,930,255	3,592,648
Communication	3,021,373	2,375,936
Prof. and Service Charges	20,964,022	26,094,698
Electricity Charges	1,460,357	1,060,599
Office Expenses & Maintenance	7,780,992	7,560,107
Repairs & Maintenance	2,722,294	1,223,985
Insurance	2,666,863	1,874,869
Rates & Taxes	1,526,192	329,212
Other Miscellaneous Expenses	1,457,909	640,563
Advertisement & Promotion Expenses	1,718,796	1,420,378
Bad Debts Written off	373,572	1,478,577
Loss on Sale of Fixed Assets	394,349	--
Auditors Remuneration (note 21.1)	1,386,800	1,053,000
Bank Charges	346,328	292,042
TOTAL	57,183,393	55,001,100
21.1 Auditors Remuneration Comprises (excluding service tax)		
i) Statutory Audit Fee	1,366,800	1,033,000
ii) Tax Audit Fee	20,000	20,000
TOTAL	1,386,800	1,053,000
22. Finance cost		
Interest on Other Loans	559,604	796,299
TOTAL	559,604	796,299

Consolidated Notes forming part of the Financial Statements**23. Exceptional items**

During the year, Company has recovered an amount of Rs.37,08,750/- against provision for doubtful debts of Rs.1,12,65,531/- which was provided in earlier years. The amount received during the year have been credited to Statement of Profit and Loss for the year ended March 31, 2013 as exceptional items.

(Amount in Rs.)

	As at March 31, 2013	As at March 31, 2012
24. Earnings Per Share		
<u>Basic</u>		
<u>Total operations</u>		
Net profit / (loss) for the period attributable to the equity shareholders	26,352,314	29,088,451
Weighted average number of equity shares	10,878,748	10,878,748
Par value per share	10.00	10.00
Earnings per share - Basic	2.42	2.67
<u>Diluted</u>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
<u>Total operations</u>		
Net profit / (loss) for the year attributable to the equity shareholders	26,352,314	29,088,451
Weighted average number of equity shares for Basic EPS	10,878,748	10,878,748
Weighted average number of equity shares for diluted EPS	10,878,748	10,878,748
Par value per share	10.00	10.00
Earnings per share - Diluted	2.42	2.67

Consolidated Notes forming part of the Financial Statements**25. Notes to Consolidated Financial Statements**

25.1. List of subsidiary considered for consolidation

Name of the Subsidiary Company	Country of Incorporation	Extent of Holding (%) as March 31, 2013
Saven Technologies Inc.	U.S.A	57%

The reporting date of the above subsidiary is March 31, 2013.

25.2. Saven Technologies Inc, USA (STI) has a line of credit with LaSalle Bank maturing on June 2013. In accordance with terms of this agreement, the Company may borrow up to \$4,00,000. Interest is payable at LIBOR Daily Floating Rate plus 2.75%, 2.95% at March 31, 2013. The balance at March 31, 2013 is \$ 314,983.

25.3. Debit balance of the Consolidated Profit and Loss account is arrived at after adjusting the Profit and Loss account balance of subsidiary company.

26. Related Party Transactions**A. Details of related parties:**

S.No.	Relationship	Names of the related parties
1.	Joint venture	Penrillian Limited, U.K
2.	Associates	Pennar Industries Limited - Common Director. Pennar Engineered Building Systems Limited - Common Director. Pennar Enviro Limited - Common Director.
3.	Key Management Person:	Mr. Murty Gudipati - Executive Director.

Consolidated Notes forming part of the Financial Statements**B. Details of related party transactions during the year ended March 31, 2013 and balances outstanding as at March 31, 2013.**

(Amount in Rs.)

Particulars	Joint venture	Associates	Key Management Person
Revenue	--	3,263,670	--
	--	(2,880,551)	--
Director - Remuneration	--	--	3,227,503
	--	--	(2,418,000)
Trade Receivables	--	638,753	--
	--	(1,290,616)	--
Investments	10,942	--	--
	(10,942)	--	--

Note: (i) Figures in bracket relates to the previous year.

(ii) Disclosure of Intra-group transactions is not required in the Consolidated Financial Statements.

27. Segment Details

The holding company and the subsidiary company are mainly engaged in the Software Development and Services. Hence there is no separate reportable segment as per Accounting Standard-17 issued by the Institute of Chartered Accountants of India.

28. Figures have been rounded off to the nearest rupee.**29. Reclassification**

These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous years' figures have been recast / restated.

Note 1 to 29 form part of the Balance Sheet and have been authenticated.

In terms of our report attached
for Rambabu & Co.,
Chartered Accountants
Reg.No:002976S

for and on behalf of the Board

Murty Gudipati
Executive Director

R S Sampath
Director

Ravi Rambabu
Partner
Membership No. 18541

Place : Hyderabad
Date : May 2, 2013

S Mohan Rao
DGM-Finance & Accounts

Ansu Elezabeth Thomas
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twentieth Annual General Meeting of Saven Technologies Limited will be held on Saturday, the 21st day of September, 2013, at 10.30 A.M at the Surana Udyog Auditorium, Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the financial year ended March 31, 2013 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Nrupender Rao, who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint a Director in place of Mr. Sridhar Chelikani, who retires by rotation and being eligible, offers himself for re-appointment;
4. To re-appoint Rambabu & Co., a firm of Chartered Accountants, as Statutory Auditors of the Company for the period commencing from the conclusion of this meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors plus out-of-pocket expenses;

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution;

"RESOLVED THAT pursuant to section 314 of the Companies Act, 1956 the Company hereby accords its consent to Mr. R S Sampath, Director of the Company, to hold an office or place of profit under the Company, as an Advisor on Financial matters and Corporate Services at a monthly remuneration of Rs.35,000/- [Rupees thirty five thousand only], plus reimbursements of expenses incurred in connection with the services and to hold an office or place of profit under the Company for a period of one year with effect from February 1, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it considers necessary, desirable or expedient for the purpose of giving effect to this resolution."

By Order of the Board
for Saven Technologies Limited

Place : Hyderabad Ansu Elezabeth Thomas
Date : August 13, 2013 Company Secretary

Notes

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of him-self/her-self and the proxy need not be a Member. The proxy form is enclosed which should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting.
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2013 to September 21, 2013, both days inclusive.
4. Members / Proxies are requested to bring to the meeting their copies of the Annual Report and the Attendance Slip duly filled in for attending the meeting.
5. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
6. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting so that the information required by them may be made available at the meeting.

7. Shareholders are requested to intimate immediately any change in the address registered with the Company. Members holding shares in dematerialized form are requested to notify any change in address to their respective Depository Participants (DPs).
8. Trading in the equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is INE 856B 01015.
9. In compliance of the SEBI circular no. MRD/DOP/ Cir-05/2009 dated May 20, 2009, the shareholders/transferees (including joint holders) holding shares in physical form are requested to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
10. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Depository) at the following address:

XL Softech Systems Limited,
Plot No. 3, Sagar Society,
Road No. 2, Banjara Hills,
Hyderabad - 500034.
11. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued Circular on April 21, 2011 stating that the service of documents can be made through electronic mode. In view of the circular issued by MCA, the Company proposes to henceforth deliver documents like the Notice calling the Annual General Meeting/Audited Annual Accounts/Report of the Auditors/Report of the Directors etc, in electronic form to email address provided by the shareholders and made available by the Depositories.
12. Shareholders are requested to furnish their e-mail addresses to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in demat form, the email addresses of the shareholders registered with the DP and made available to the Company shall be the registered email ID unless communication is received to the contrary.

EXPLANATORY STATEMENT (pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 5

Mr. R S Sampath is a qualified Chartered Accountant (B. Com, FCA) of 1968 batch and is having about 44 years of rich and diverse experience in Finance, Accounts, Administration and General Management. He was with Voltas Ltd over a period of over 22 years and has been with Pennar Group for the last 21 years.

At the General Body Meeting held on September 24, 2012 the Shareholders approval was obtained for appointing Mr. R S Sampath as an Advisor for a period of one year from February 2012, to assist the Company in its financial and corporate services as well as any other assignments which may be given to him. Further, the members had also approved payment of Rs.35,000/- per month as consultancy fees plus reimbursement of out of pocket expenses; payment of such consultancy fees will be in addition to the sitting fees, that he would receive for Board Meeting attended by him. It is now proposed to extend the term for one more year from February 1, 2013 to January 31, 2014 on the same terms and conditions.

It is felt that having regard to his experience, it would be advisable to reappoint him as an Advisor for a period of one year from February 1, 2013. The Directors, therefore, recommend the passing of the Special Resolution contained in Item 5 of the accompanying Notice.

None of the Directors, other than Mr. R S Sampath may be considered to be interested in the passing of the Special Resolution mentioned at item 5 of the accompanying notice.

ADDITIONAL INFORMATION ON DIRECTORS' SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (Pursuant to Clause 49 VI(A) of Listing Agreement with Stock Exchanges)

Particulars	Mr. Nrupender Rao	Mr. Sridhar Chelikani
Date of birth	June 23, 1945	August 17, 1970
Date of appointment	December 22, 2010	April 11, 1999
Qualification	B. Tech IIT Kharagpur, M. S. Operations Research & Industrial Engineering, Purdue University, USA,	B.Tech (Mechanical Engineering), M.S (Mechanical Engineering), M.B.A
Expertise	Expertise in various fields of management	Vast experience in information technology industry
List of companies in which outside directorship held as on August 13, 2013	Pennar Industries Limited Pennar Engineered Building Systems Limited Pennar Enviro Limited Pennar Logistics Limited Pennar Building Systems Private Limited Pennar Management Services Limited Thapati Trading Private Limited Palguna Consultants Private Limited	Saven Technologies Inc., (USA) Penrillian Limited (UK)
Chairman / Member of the Committee of other Companies on which he is a director as on August 13, 2013	Pennar Engineered Building Systems Limited Pennar Industries Limited Pennar Enviro Limited	Nil
No of Shares held by them in the Company as on August 13, 2013	2,13,575	Nil

By Order of the Board
for Saven Technologies Limited

Place : Hyderabad
Date : August 13, 2013

Ansu Elezabeth Thomas
Company Secretary

SAVEN TECHNOLOGIES LIMITED

Regd. Office: No.302, My Home Sarovar Plaza, 5-9-22, Secretariat Road, Hyderabad - 500 063.

ATTENDANCE SLIP

Name & Address of the shareholder _____

Regd. Folio No/DP No. _____

No of Shares Held: _____

I hereby record my presence at the Twentieth Annual General Meeting of the Company held on Saturday, the 21st day of September, 2013 at 10.30 A.M. at Surana Udyog Auditorium, Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation house, 11-6-841, Red Hills, Hyderabad - 500 004.

Signature of the Shareholder or Proxy* _____

*Strike out whichever is not applicable _____



SAVEN TECHNOLOGIES LIMITED

Regd. Office: No.302, My Home Sarovar Plaza, 5-9-22, Secretariat Road, Hyderabad - 500 063.

PROXY FORM

Regd. Folio No/D.P. I.D. No. _____

I / We _____ of _____ being a member / members of Saven Technologies Limited, hereby appoint Mr/Ms _____ of _____ failing him/her _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company to be held Saturday, the 21st day of September, 2013 at 10.30 A.M. at Surana Udyog Auditorium, Federation of Andhra Pradesh Chambers of Commerce and Industry, Federation house, 11-6-841, Red Hills, Hyderabad - 500 004.

Affix
Revenue
Stamp

Signed this _____ day of _____ 2013

NOTE: The proxy form, in order to be effective, should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

**Printed Matter
Book - Post**

If undelivered, please return to:

SAVEN TECHNOLOGIES LIMITED

Regd. Office: # 302, My Home Sarovar Plaza, 5-9-22,
Secretariat Road, Hyderabad - 500 063. A.P. INDIA