TRIGYN
technologies

Quality System
Quality Endorsed Company

ANNUAL REPORT 2006 - 2007

QUALITY POLICY

At Trigyn Technologies Limited, the management and the employees are committed to secure a long term partnership with each customer. We are into the business of providing Custom Engineeered Software Solutions, Product Development, Consulting Assignments, Software Migration & Maintenance. We want to be the preferred supplier of the products and services that we offer. We intend doing this by :

- Ensuring that all products and services will provide complete satisfaction through meeting or exceeding the mutually agreed requirements and expectations consistently.
- Fostering a team environment where quality is everyone's responsibility.
- Promoting a philosophy of continuous improvement embraced by each and every employee.
- Inculcate awareness in all our employees to be responsible for what they produce.

Goals :

☞ To maintain and continuously improve Quality System based on ISO 9001:2000 standards

☞ To maintain and continuously improve Quality System based on SEI - CMM Level 4

☞ Introduce / Inculcate TQM culture & Business Excellence to achieve :

- Customer Delight
- Empowered Employees
- Higher Revenues
- Lower Costs

TRIGYN
technologies

BOARD OF DIRECTORS

SANJAY A. PATKAR	**- Chairman and Non- Executive Director**
R. GANAPATHI	**- Executive Director (w.e.f. April 1, 2007)**
C.V. RAO	**- Non - Executive Director**
Dr. C. RAO KASARABADA	**- Non - Executive Director**
RICHARD RAJA	**- Non-Executive / Independent Director**
CH. V.V.PRASAD	**- Non-Executive / Independent Director**
D. RAVI KANTH	**- Non-Executive / Independent Director**

FINANCE CONTROLLER
MILIND TELAWANE

COMPANY SECRETARY
RAJESH SHIRAMBEKAR

AUDITORS
RSM & CO., CHARTERED ACCOUNTANTS

INTERNAL AUDITORS
PRASANNA REGE & CO.,
CHARTERED ACCOUNTANTS

BANKERS
PUNJAB NATIONAL BANK
ING VYSYA BANK

REGISTERED / CORPORATE OFFICE
UNIT 27, SDF I,
SEEPZ - SEZ, ANDHERI (E),
MUMBAI 400 096, INDIA.

US OFFICE
100, METROPLEX DRIVE, EDISON, NJ 08817 USA.

GERMANY OFFICE
JULIUS-MOSER –STR.9
D-75179 PHORZHEIM, GERMANY.

MANAGEMENT TEAM

R. GANAPATHI	- Executive Director
HOMIYAR PANDAY	- President (US Operations)
THOMAS GORDON	- Sr. Vice President (US Operations)
SHAILESH SAMPAT	- Head (India Operations)

INDEX **Page Nos.**

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of **Trigyn Technologies Limited** will be held on Monday, the September 17, 2007 at 3.30 p.m. at the All India Plastics Manufacturers' Association Auditorium, AIPMA House, A-52, Road No. 1, M.I.D.C., Andheri (E), Mumbai 400 093 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2007 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay A. Patkar who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 224 (6) and other applicable provisions, if any, of the Companies Act, 1956, M/s. Price Waterhouse, Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. RSM & Co. who have resigned before the completion of their tenure of the office."

   RESOLVED FURTHER THAT M/s. Price Waterhouse shall hold office until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 262 of the Companies Act, 1956, Mr. C. V. Rao, in respect of whom a written notice has been received from a member proposing his election to the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."
5. To appoint a director in place of Dr. C. Rao Kasarabada, who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 29th September, 2006, pursuant to Article 131 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956 and in respect of whom notice in writing have been received by the Company from a member proposing his candidature for the office of a director and, to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution, the following:-

   "RESOLVED THAT Dr. C. Rao Kasarabada be and is hereby appointed as the Director of the Company."
6. To appoint a director in place of Mr. Ch. V. V. Prasad, who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 29th September, 2006, pursuant to Article 131 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956 and in respect of whom notice in writing have been received by the Company from a member proposing his candidature for the office of a director and, to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution, the following:-

   "RESOLVED THAT Mr. Ch. V. V. Prasad be and is hereby appointed as the Director of the Company."
7. To appoint a director in place of Mr. R. Ganapathi, who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 27th October, 2006, pursuant to Article 131 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956 and in respect of whom notice in writing have been received by the Company from a member proposing his candidature for the office of a director and, to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution, the following:-

   "RESOLVED THAT Mr. R. Ganapathi be and is hereby appointed as the Director of the Company."
8. To appoint a director in place of Mr. D. Ravi Kanth, who was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 24th April, 2007, pursuant to Article 131 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956 and in respect of whom notice in writing have been received by the Company from a member proposing his candidature for the office of a director and, to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution, the following:-

"RESOLVED THAT Mr. D. Ravi Kanth be and is hereby appointed as the Director of the Company."

9. To consider and, if thought fit, to pass, with or without modification(s), as an Ordinary Resolution, the following :

"RESOLVED THAT pursuant to the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), and subject to such approvals as may be necessary, the Authorised Share Capital of the Company be and it is hereby re-classified from Rs.40,00,00,000/- (Rupees Forty Crores Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs only) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs Only) 65 % Cumulative Redeemable Preference Shares of Rs.10/- each to Rs.40,00,00,000/- (Rupees Forty Crores Only) divided into divided into 3,50,00,000 (Three Crores Fifty Lakhs only) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs Only) Preference Shares of Rs.10/- each.

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be altered accordingly, as under:

'V. The Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores) divided into divided into 3,50,00,000 (Three Crores Fifty Lakhs only) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs Only) Preference Shares of Rs.10/- each, with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with the power to increase and reduce the capital of the Company and vary, modify or abrogate any such rights, privileges or conditions in such a manner as may be permitted by the Companies Act, 1956 or the statutory modifications thereof for the time being in force or provided by the Articles of Association of the Company for the time being.

RESOLVED FURTHER THAT the Board be and it is hereby authorised to take all such steps and to do all such acts, deeds and things necessary, expedient or desirable to give effect to this resolution."

10. To consider and, if thought fit, to pass, with or without modification(s), as a Special Resolution, the following :

The existing Article 8 be and it is hereby deleted and the following Article 8 is substituted therefor:

8. The Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 3,50,00,000 (Three Crores Fifty Lakhs only) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs Only) Preference Shares of Rs.10/- each.

11. To consider and if thought fit, to pass with or without modification(s), as a Special Resolution, the following :-

"RESOLVED THAT subject to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and other approvals as may required, consent of the Company be and it is hereby accorded to the re-appointment of Mr. Ramkrishna B. Bhagwat as Whole-time Director of the Company for a period from 30th December, 2006 to 31st March, 2007 and that the draft Agreement between the Company and Mr. Ramakrishna Bhagwat, setting out the terms and conditions including remuneration placed before the meeting duly initialled by Mr. Sanjay A. Patkar, Chairman of the Company, for the purpose of identification, be and it is hereby approved."

RESOLVED FURTHER THAT the Board of Directors / Remuneration Committee of the Company be and is hereby authorised to to do all such acts, matters, deeds and things as may be necessary to implement this Resolution."

12. To consider and if thought fit, to pass with or without modification(s), as a Special Resolution, the following :-

"RESOLVED THAT subject to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and other approvals as may required, consent of the Company be and it is hereby accorded to the appointment of Mr. R. Ganapathi as Executive Director of the Company for a period of one year with effect from 1st April, 2007 and that the draft Agreement between the Company and Mr. R. Ganapathi, setting out the terms and conditions including remuneration placed before the meeting duly initialled by Mr. Sanjay A. Patkar, Chairman of the Company, for the purpose of identification, be and it is hereby approved."

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Mr. R. Ganapathi the remuneration as specified in the aforesaid draft Agreement as minimum remuneration."

RESOLVED FURTHER THAT the Board of Directors / Remuneration Committee of the Company be and is hereby authorised to alter, vary and modify the aforesaid terms and conditions in such a manner as may be directed by the Central Government or any other Statutory or Quasi-Judicial Authority and otherwise to do all such acts, matters, deeds and things as may be necessary to implement this Resolution."

13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

    "RESOLVED THAT in accordance with the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof), the applicable provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations / guidelines prescribed by the Securities & Exchange Board of India or any other relevant authority, from time to time to the extent applicable, consent of and as such in the form of ratification by the Members be and is hereby accorded to the Board of Directors of the Company / Remuneration Committee or any Committee of Directors, for issue and allotment of 4,13,000 stock options convertible into equivalent number of equity shares of the Company granted at prevailing price to employees of the Company and 25,000 stock options convertible into equivalent number of equity shares of the Company, granted at a price of Rs.10/- each to Mr. Sanjay A. Patkar, Chairman and Non-executive Director, in terms of the Employee Stock Option Plan 2000 approved by the Members at the Extraordinary General Meeting held on June 20, 2000, as amended from time to time."

    RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board of Directors of the Company / Remuneration Committee or any Committee of Directors, to create, offer, issue, allocate or allot, in one or more tranches, at the sole discretion of the Board, to such persons who are in the permanent employment of the Company or its subsidiaries and to the non-promoter or non-executive Director of the Company, 10,00,000 stock options convertible into equivalent number of equity shares of the Company at prevailing price or such price as may be fixed and determined by the Board prior to issue and offer therof in accordance with the applicable guidelines and provisions of law and in terms of the Employee Stock Option Plan 2000.

    RESOLVED FURTHER THAT the Board be and is hereby authorized to issue, allocate and allot such number of equity shares as may be required in pursuance of the above, and that the equity shares so issued, allocated or allotted shall rank pari passu in all respects with the existing equity shares of the Company and shall carry the right to receive the full dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the shares shall become effective.

    RESOLVED FURTHER THAT the limit of the reserved shares be increased and/or adjusted in the future in the event of any bonus or rights issues or stock-splits and simultaneously the price of the shares be adjusted proportionately and the entitlements of the option-holders be increased proportionately.

    RESOLVED FURTHER THAT for the purpose of giving effect to all or any of the foregoing the Board of Directors / Compensation Committee or any Committee of Directors of the Company, be and is hereby authorized inter-alia to do all such acts, deeds, matters and things whatsoever, including settling any question, doubt or difficulty that may arise, as it may be in its absolute discretion consider necessary, expedient usual or proper in or about the premises."

14. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

    "RESOLVED THAT in partial modification to the resolution passed by the Members at the Nineteenth Annual General Meetings of the Company held on September 22, 2005 and in accordance with the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactments thereof), the applicable provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations / guidelines prescribed by the Securities & Exchange Board of India or any other relevant authority, from time to time to the extent applicable and subject to the conditions and or modifications, permissions or sanctions as may be prescribed or imposed by any body or authority, including the Central Government, Reserve Bank of India, Authorised Dealers, SEBI, Banks or any foreign regulatory bodies, while granting such approvals, permissions or sanctions, the consent *per se* of and as such in the form of ratification by the Members be and is hereby accorded to the Board of Directors of the

Company / Remuneration Committee for issue and allotment of 2,40,000 stock options convertible into equivalent number of equity shares of the Company, granted at a price of Rs.10/- each to Mr. Homiyar Panday, President – US Operations and 3,00,000 stock options convertible into equivalent number of equity shares of the Company comprising of 1,50,000 granted at a price of Rs.10/- each and 150,000 granted at a price of Rs.18/- each to Mr. Thomas Gordon, Senior Vice President – US Operations, the employees of the Subsidiary of the Company, in terms of the Employee Stock Option Plan 2000 approved by the Members at the Extraordinary General Meeting held on June 20, 2000, as amended from time to time."

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid resolution shall in all respects rank pari passu interse as also with the then existing equity shares of the Company and shall carry the right to receive the full dividend from the date of allotment declared for the financial year in which the allotment of the shares shall become effective.

RESOLVED FURTHER THAT the limit of the reserved shares be increased and/or adjusted in the future in the event of any bonus or rights issues or stock-splits and simultaneously the price of the shares be adjusted proportionately and the entitlements of the option-holders be increased proportionately.

RESOLVED FURTHER THAT the Board or the Compensation Committee be and is hereby authorized to amend the scheme as to its terms and conditions including issue of additional options at the adjusted price in order to give effect to the bonus shares or rights shares or stock splits to be issued, vesting and exercise schedules, eligibility criteria etc. in the best interest of the Company and the employees.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares or securities or instruments representing the same, as described above, the Board / remuneration Committee be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue or allotment (including to amend or modify any of the terms of such issue or allotment) without being required to seek any further consent or approval of the members, as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors."

15. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1 A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof), the provision of clause 6.3 (b) and other applicable provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations / guidelines prescribed by the Securities & Exchange Board of India or any other relevant authority, from time to time to the extent applicable, and subject to such approvals, consents, permissions and sanctions and subject to such conditions as may be prescribed by any of them, while granting such approvals, consent of and as such in the form of ratification by the Members be and is hereby accorded to the Board of Directors of the Company / Remuneration Committee or any Committee of Directors for issue and allotment of the stock options convertible into equivalent number of equity shares of the Company, granted for the benefit of identified employees, Executive Directors (excluding promoters) and Non-Executive Directors of the Company and its subsidiaries, during anyone year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of option, in terms of the Employee Stock Option Plan 2000 approved by the Members at the Extraordinary General Meeting held on June 20, 2000, as amended from time to time."

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid resolution shall in all respects rank pari passu interse as also with the then existing equity shares of the Company and shall carry the right to receive the full dividend from the date of allotment declared for the financial year in which the allotment of the shares shall become effective.

RESOLVED FURTHER THAT the limit of the reserved shares be increased and/or adjusted in the future in the event of any bonus or rights issues or stock-splits and simultaneously the price of the shares be adjusted proportionately and the entitlements of the option-holders be increased proportionately.

RESOLVED FURTHER THAT the Board or the Compensation Committee be and is hereby authorized to amend the scheme as to its terms and conditions including issue of additional options at the adjusted price in order to give effect to the bonus shares or rights shares or stock splits to be issued, vesting and exercise schedules, eligibility criteria etc. in the best interest of the Company and the employees.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares or securities or instruments representing the same, as described above, the Board / Remuneration Committee or any Committee of Directors be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue or allotment (including to amend or modify any of the terms of such issue or allotment) without being required to seek any further consent or approval of the members, as it may, in its absolute discretion, deem fit.

16. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and notwithstanding anything to the contrary stated in this regard in any existing employees stock option plan of the Company, consent of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted or to be constituted by the Board as the Remuneration/Compensation Committee) to modify certain terms of the existing ESOP 2000 plan approved by the shareholders pursuant to special resolution dated June 20, 2000, as amended from time to time, to recover from the relevant eligible employees, the fringe benefit tax payable by the Company in respect of options which are granted to or vested or exercised by, the eligible employee on or after the 1st day of April 2007 pursuant to the provisions of section 115WKA of the Income-Tax Act, 1961.

    RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Company."

17. 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 309 and the applicable provisions, if any, of the Companies Act, 1956 inclusion any statutory modifications or re-enactment thereof and in terms of clause 49 of the listing agreement, approval of the members be and is hereby accorded to the Board of Directors of the Company for payment of fees to Mr. Sanjay A. Patkar, Non-executive Director for the professional services on need based basis rendered by Mr. Patkar for the earlier years and also for payment of fees upto Rs.5 lakhs (excluding sitting fees) in any financial year starting from April 1, 2007."

18. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of section 372A and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Company be accorded to the Board of Directors of the Company to make any loan(s) to, and/or give any guarantee(s), and/or provide any security(ies) in connection with loan(s) made by any other person to, or to any other person by, and / or acquire, by way of subscription, purchase or otherwise the securities of, one or more body(ies) corporate fulfilling the criteria specified in the Explanatory Statement annexed hereto even if such loans, guarantees, securities and investments together with the aggregate of loan(s) made, guarantee(s) given, security(ies) provided and investment(s) made from time to time is in excess of the ceiling prescribed under section 372A of the Companies Act, 1956 computed on the basis of the Audited Accounts of the financial year immediately preceding the financial year in which such loans are made, guarantees given, securities provided and investments made, provided that the excess over the ceiling prescribed under section 372A of the Companies Act, 1956 computed at the beginning of the financial year will not at any time exceed Rs.25 crores.

    RESOLVED FURTHER THAT the Board of Directors of the Company be authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the

Loans & Investment Committee of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the Resolution.”

19. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

    “**RESOLVED THAT** subject to the provisions of Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreement, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (including any statutory modification (s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and all other applicable laws, rules, regulations and guidelines and subject to all such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company’s Equity Shares from Ahmedabad Stock Exchange Ltd.”

By Order of the Board of Directors
For Trigyn Technologies Limited

Rajesh Shirambekar
Company Secretary

Place : Mumbai
Date : August 14, 2007

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   The Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 in respect of Item nos. 3 to 19 is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will remain closed from September 10, 2007 to September 17, 2007 (both days inclusive).

4 The instrument appointing a Proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for the meeting.

5. Members / Proxies should bring the Attendance Slip duly filled in and hand over the same at the entrance of the place of the meeting.

6. Members desiring any information on the business to be transacted at the meeting are requested to write to the Company at least ten days in advance to enable the Management to keep the information ready at the meeting, to the extent possible.

7. Members are requested to inform any change in their address immediately to the Company’s Registrar & Transfer Agents in case physical shareholding or their respective Depository Participants so far as electronic shareholding is concerned.

8. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.

By Order of the Board of Directors
For Trigyn Technologies Limited

Rajesh Shirambekar
Company Secretary

Regd. Office :
27, SDF I, SEEPZ, M.I.D.C.,
Andheri (East),
Mumbai - 400 096

Place : Mumbai
Date : August 14, 2007

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

Item No. 3

The present Statutory Auditors of the Company M/s. RSM & Co. have expressed their intention to resign as Statutory Auditors of the Company consequent to their merger with M/s Price Waterhouse (PW). PW is a renowned audit firm with specialization in audits, management consultancy, mergers and acquisitions etc. with global presence. The resignation of M/s RSM & Co. as Statutory Auditors before expiry of their tenure has created a casual vacancy. PW have given their consent to act as Statutory Auditors of the Company from the Financial Year 2007-2008.

Pursuant to Section 224 (6) (a) of the Companies Act, 1956 a casual vacancy caused by the resignation of auditors shall only be filled by the company in General Meeting. Accordingly, the Board of Directors recommend the resolution for the approval of the members.

None of the Directors are interested or concerned in the proposed resolution.

Item No.4

The Board of Directors of the Company at its meeting held on 7th September, 2006 had appointed Mr. C.V. Rao as Director of the Company, in the casual vacancy caused by the resignation of Mr. Tushar Vaidya from the Board of the Directors of the Company. Pursuant to the provisions of Section 262 of the Companies Act, 1956, Mr. C. V. Rao will hold office as Director only upto the date of this Annual General Meeting.

The Company has received a written notice from a member in accordance with the provisions of Section 257 of the Companies Act, 1956 proposing the name of Mr. C.V. Rao for election to the office of Director. The Board accordingly recommends the proposed resolution for your approval.

Except Mr. C.V. Rao, none of the other Directors, is in any way concerned or interested in the proposed resolution.

Item No.5, 6, 7& 8

Dr. C. Rao Kasarabada and Mr. Ch. V.V. Prasad were appointed as Additional Directors on the Board of the Company with effect from September 29, 2006. Mr. R. Ganapathi and Mr. D. Ravi Kanth were appointed as Additional Directors with effect from October 27, 2006 and April 24, 2007, respectively under Article 131 of the Articles of the Association of the Company and under Section 260 of the Companies Act, 1956. The aforesaid Directors hold their respective offices as Additional Directors upto the date of the ensuing Annual General Meeting of the Company. Notices in writing have been received from some of the members of the Company under Section 257 of the Companies Act, 1956 signifying their intention to propose the aforesaid Directors as the candidates to the offices of the Directors of the Company.

A brief profile of the aforesaid directors pursuant to Clause 49 of the Listing Agreement is mentioned in elsewhere in the notice convening the meeting.

It would be in the interest of the Company to avail of the valuable experience and guidance of Dr. C. Rao Kasarabada, Mr. Ch. V.V. Prasad, Mr. R. Ganapathi and Mr. D. Ravi Kanth. The Board recommends the appointment of Dr. C. Rao Kasarabada, Mr. Ch. V.V. Prasad, Mr. R. Ganapathi and Mr. D. Ravi Kanth as Directors of the Company.

Dr. C. Rao Kasarabada, Mr. Ch. V.V. Prasad, Mr. R. Ganapathi and Mr. D. Ravi Kanth, are concerned or interested in resolutions in respect of their own appointment. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the Resolutions.

Item 9 & 10

The Company's present Authorised Capital is Rs.40,00,00,000/- (Rupees Forty Crores only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs) 65 % Cumulative Redeemable Preference Shares of Rs.10/- each.

During the year, your Company has fully repaid the term loan of Oriental Bank of Commerce (OBC) under One Time Settlement, resulting in redemption of 65 % Cumulative Redeemable Preference Shares held by OBC.

Therefore, it is proposed to re-classify the Authorised Share Capital of the Company to Rs.40,00,00,000/- (Rupees Forty Crores Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs only) Equity Shares of Rs.10/- each and 50,00,000 (Fifty Lakhs Only) Preference Shares of Rs.10/- each, Consequent upon the proposed re-classification of the Authorised Share Capital of the Company, Clause V of the Memorandum of Association and Article 8 of the Articles of Association will be required to be altered.

A copy of the Memorandum and Articles of Association of the Company will remain open for inspection by the Members at the Registered Office of the Company during 11 a.m. to 01.00 p.m. on any working day prior to the date of the Meeting.

Your Directors recommend this resolution.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Item No.11

At the Annual General Meeting held on 30th December, 2003, Mr. Ramkrishna Bhagwat was re-appointed as Whole-time Director for a period of three years with effect from 30th December, 2003.

The Board of Directors at it's meeting held on January 29, 2007 approved the re-appointment and payment of remuneration to Mr. Ramkrishna B. Bhagwat for a term of one year with effect from 30th December, 2006 on the terms set out in the draft Agreement.

The draft Agreement between the Company and Mr. Ramkrishna B. Bhagwat, inter alia, contains the following terms and conditions : -

(a) Basic Salary : Rs.1,50,000/- per month

(b) Perquisites : Mr. Ramkrishna B. Bhagwat will be entitled to the following Perquisites which was not be included in the computation of the ceiling on remuneration:

Contribution to Provident Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at the rate not exceeding half a months' salary for each completed year of service.

Encashment of leave at the end of his tenure.

Mr. Ramkrishna B. Bhagwat will be entitled to leave as per the rules of the Company.

Mr. Ramkrishna B. Bhagwat will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.

Mr. Ramkrishna B. Bhagwat will also be entitled to reimburse from the Company travelling, hotel and other expenses incurred at actual in performance of the duties on behalf of the Company.

The remuneration payable to Mr. Ramkrishna B. Bhagwat as Whole-time Director was approved by the Remuneration Committee of the Board of Directors at its meeting held on January 29, 2007.

The draft Agreement and the proposed resolution of the Annual General Meeting will be open for inspection by the Members at the Registered Office of the Company on any working day between 11:00 a.m. and 01:00 p.m., prior to the date of the meeting.

However, in order to achieve personal goals, Mr. Ramkrishna B. Bhagwat resigned from the directorship of the Company w.e.f. April, 1, 2007. The Board of Directors at its meeting held on March 28, 2007 accepted the resignation of Mr. Ramkrishna B. Bhagwat and place on record it's appreciation for the services rendered by Mr. Ramkrishna B. Bhagwat during his tenure with the Company.

This may also be treated as an abstract of the draft Agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 302 of the Companies Act, 1956.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Your Directors recommend this resolution.

Item No. 12

The Board of Directors at its Meeting held on March 28, 2007, appointed Mr. Ganapathi as the Executive Director w.e.f.April 1, 2007 for a term of one year on the terms set out in the draft Agreement.

Mr. R. Ganapathi is a IIT, Madras graduate with a B.Tech Degree. He is also a fellow of the Indian Institute of Foreign Trade. He gained a rich experience while working with Bharat Heavy Electricals Ltd. and Best & Crompton Ltd. He is actively involved in execution of welfare projects undertaken by Rotary Club, Chennai. He also have a marketing consultancy firm in the areas of power projects and power transmission. He is also associated with software training. He represents as a nominee of Electronics Corporation of Tamilnadu on board of companies.

The draft Agreement between the Company and Mr. R. Ganapathi, inter alia**,** contains the following terms and conditions:-

(a) Basic Salary	:	Rs.1,50,000/- per month
(b) Perquisites	:	Mr. R. Ganapathi shall be entitled to the following Perquisites which shall not be included in the computation of the ceiling on remuneration:

Contribution to Provident Fund as per rules of the company.

Mr. R. Ganapathi will also be entitled to reimbursement of business promotion expenses actually incurred by him in the course of business of the Company.

Mr. R. Ganapathi will also be entitled to reimburse from the Company traveling, hotel and other expenses incurred at actual in performance of the duties on behalf of the Company.

Mr. R. Ganapathi shall not so long as he functions as such, become interested or otherwise concerned in any selling agency of the Company in future without the prior approval of the Central Government / Company Law Board.

The remuneration payable to Mr. R. Ganapathi as Executive Director has been approved by the Remuneration Committee of the Board of Directors at its meeting held on April 24, 2007.

The draft Agreement and the Resolution of the Annual General Meeting referred to in the Resolution will be open for inspection by the Members at the Registered Office of the Company on any working day between 11:00 a.m. and 01:00 p.m., prior to the date of the meeting.

This may also be treated as an abstract of the draft Agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 302 of the Companies Act, 1956.

Your Directors are confident that appointment of Mr. R. Ganapathi as an Executive Director shall benefit the overall growth in business of the Company and therefore recommend the resolution for your kind approval.

Mr. R. Ganapathi is concerned or interested in the Resolution. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the Resolution.

Item Nos. 13, 14 & 15

The shareholders of the Company approved the stock option scheme viz. ESOP 2000 vide special resolution passed at the Extra-ordinary General Meeting held on June 20, 2000 which was further modified by the shareholders vide special resolution passed at the Annual General Meeting held on December 30, 2003 by removing the limit of 5% of the issued and subscribed equity share capital fixed under the said plan consequent to amendment of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Your Company has granted / propose to grant stock options to the eligible employees and Directors of the Company and its subsidiary Companies as mentioned in the respective resolutions, under ESOP 2000 framed in accordance with the provisions of the prevailing law and guidelines issued by the Securities and Exchange Board of India.

Section 81 of the Companies Act, 1956, provides *inter alia,* that whenever it is proposed to increase the subscribed capital of the Company by the allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the section unless the shareholders in General Meeting decide otherwise. The consent of the shareholders is, therefore. sought to authorize the Board of Directors to issue and allot the shares in the manner set out in the resolution under section 81 (1A) of the Companies Act.

In terms of clause 6.2 of the SEBI regulations, the following particulars may be noted:

(a) The total number of options to be granted: 19,78,000

(b) Identification of classes of employees entitled to participate in the ESOP :

All grades of employees of the Company and its subsidiaries depending upon their performance and the number of years served in the Company.

(c) Requirements of vesting and period of vesting :

Minimum one year from the date of grant. To be vested upto 25% of the total options granted over a four years;

(d) Maximum period within which the option shall be vested: upto date of expiry of plan;

(e) Exercise price or pricing fonnula : Prevailing market price as defined by SEBI from to time;

(f) Exercise period and process of exercise: After one years from the date of grant valid till June 19, 2010. The application has to be made, indicating the option for exercise.

(g) The appraisal process for determining the eligibility of employees to the ESOP: It is to be determined by the Board or Remuneration / Compensation Committee; Eligibility depends on the number of years worked in the Company or in its subsidiaries, Grade of the employee, performance, etc.

(h) Maximum number of options Issued per employee: 3,00,000.

Individual numbers to be decided by the Compensation Committee;

(i) The Company shall conform to the accounting policies, as applicable.

j) The Company calculates the employee compensation cost using the fair market value of the stock options;

(k) The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if the Company had used the fair market value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

None of the Directors except Mr. Sanjay A. Patkar to the extent stock options offered under the scheme is concerned or interested in the resolutions.

The Board of Directors recommend passing of these resolutions as Special Resolutions.

Item No. 16

In the Budget for the year 2007-08, the Finance Minister had proposed the introduction of fringe benefit tax ("FBT") on employee stock options ("ESOPs"). Pursuant to the same, the Finance Act, 2007 has amended section 115WB of the Income-Tax Act, 1961 (the "IT Act") such that a sweat equity share or other specified security which has been allotted or transferred, directly or indirectly, by an employer free of cost or at a concessional rate to his employees (including former employee or employees), will be treated as a fringe benefit granted to the employee. The value of the fringe benefit is the fair market value of the specified security or sweat equity shares referred to above, on the date of vesting of the options, as reduced by the amount actually paid by, or recovered from the employee in respect of such security or shares and the employer will be liable to pay the FBT on the value of this fringe benefit.

This provision comes into effect from 1st April 2007 and is applicable from the Assessment Year 2008-09.

The Finance Act, 2007 also inserted a new section 115WKA in the IT Act, which makes it lawful for an employer to vary the agreement or scheme under which such specified security or equity shares has been allotted or transferred so as to recover from the employee to the extent to which such employer is liable to pay the fringe benefit tax in relation to the values of fringe benefits provided to the employee and determined under clause (ba) of subsection (1) of section 115WC.

In terms of clause 7 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI ESOP Guidelines"), a Company cannot vary the terms of an employee stock option scheme in any manner, which may be detrimental to the interest of the employees. However, the Finance Act, 2007 as aforesaid authorises companies to make amendments in the contracts/schemes of ESOPs for the limited purpose of recovering the FBT from the employees.

The Company has been informed that the new section 115WKA of the IT Act being a specific statutory amendment specifically empowers companies to amend their ESOP schemes to recover FBT from the employees in respect of stock options which have been granted to or vested in or exercised by the eligible employees on or after 1st April, 2007.

The Remuneration/Compensation Committee of the Company, pursuant to the employees stock option plan approved by the shareholders vide resolutions dated June 20 2000, as amended from time to time has granted options to the permanent employees, non-executive Director and employees of the subsidiary company under the Scheme. Out of the total granted options, the options which are not exercised as on 31st March 2007 are 9,78,000.

Clause 7 of the SEBI ESOP Guidelines referred to above also requires that the details of the proposed variation be provided to the employees who are the beneficiaries. In the present case, the said variation would result in the employees being required to pay to the Company an amount equal to the FBT payable by the Company in addition to the exercise price. Hence, there are no beneficiaries of such variation.

Under clause 7(2) of the SEBI ESOP Guidelines, the terms of ESOP offered, pursuant to an earlier resolution, can be varied by a Special Resolution.

Accordingly, it is proposed to obtain the approval of shareholders by way of a Special Resolution to amend the employees stock option plan approved by the shareholders vide resolutions dated June 20, 2000, as amended from time to time to recover from the employees the FBT payable in respect of any grant, vesting or exercise of stock options under the Scheme on or after 1st April 2007.

The proposal outlined above is in the interest of the Company and the Board recommends the passing of the Resolution as a Special Resolution.

None of the Directors of the Company is concerned or interested in this item of business.

Item No.17

Mr. Sanjay A. Patkar is a Non-executive Director of the Company. He is a practicing Advocate and also renders professional advisory and consultancy services in Indian and International Taxation, Corporate Laws, FEMA and Property related matters. Mr. Patkar's expertise and experience in the field is of immense help and accordingly he provides certain services on need based basis in his professional capacity.

During the year, your Company has paid Rs.10.95 lakhs excluding sitting fees to Mr. Sanjay A. Patkar for various services provided by him from time to time.

The Board of Directors of your company has approved the payment of the said amount at the its meeting held on August 14, 2007 and also considering the valuable nature of services carried out by Mr. Patkar has approved payment upto Rs.5 lakhs in addition to sitting fees for any financial year starting from April 1, 2007.

In terms of provisions of the Companies Act, 1956 and clause 49 of the listing agreement the said remuneration by way of payment of fees to Non-executive Director need to be approved by the shareholders.

Your Directors therefore recommend this Special Resolution for your approval.

None of the Directors of the Company except Mr. Sanjay A. Patkar is in any way concerned or interested in this item of business.

Item No.18

In terms of section 372A of the Companies Act, 1956 ('the Act'), the Board of Directors ('the Board') of the Company is empowered to invest in securities, make any loan(s), give any guarantee(s) and/ or provide security(ies) without obtaining prior approval of the shareholders upto a ceiling of the higher of:

(i) 60% of the aggregate of the paid-up share capital and free reserves of the Company,

or

(ii) 100% of free reserves of the Company.

The aggregate of actual investments made, loans granted, guarantees given, securities provided in terms of the said section as on March 31, 2007, is approximately Rs.649.14 crores with a leverage of Rs.8 crores for further investments, loans and guarantees.

The Board is constantly reviewing opportunities for acquisition and/ or expansion of its operations and activities either directly or through its subsidiaries / associates.

The Board is of the view that in order to quickly respond to evolving expansion opportunities besides meeting regular business plans and need to seize opportunities to grow including organic and inorganic, introduction of new products and services it is necessary to raising the aggregate limit to Rs.25 crores (which is in addition to the amount permitted under the limits prescribed by section 372A of the Act).

The Board believes that this enhanced limit would enable the Company to facilitate quick funding of the various opportunities which are currently envisaged as well as opportunities that may arise in the near future.

Further, the exigencies of the business require that the Board has the flexibility within defined parameters to decide on the body corporate or bodies corporate to which financial support by way of loan(s) and/ or guarantee(s) and/or security(ies) and / or investment(s) be provided.

Accordingly, necessary authority is being sought for the Board to grant loan(s) to, and / or give guarantee(s) and / or provide security(ies) to and / or invest in securities of, one or more subsidiary(ies) of the Company and / or body(ies) corporate in which 10% or more of its paid-up share capital is held by the Company and / or its subsidiary(ies). Further, authority is also being sought for the Board to invest from time to time, the Company's surplus funds not immediately required for the aforesaid purposes or for the Company's businesses, in deposits/ securities of body(ies) corporate.

The specific details of the body /bodies corporate satisfying the above criteria to which the required funding or financial support is to be provided will be furnished to the Board before the Board approves the making of investment(s), granting loan(s), giving guarantee(s), providing security(ies), etc. in the body(ies) corporate.

The investment(s) proposed to be made in securities would *inter alia* include equity and/ or preference shares and/ or other securities convertible into equity or preference shares or any other form of equity related instruments and / or bonds, debentures, units or any other instrument issued by any body(ies) corporate.

In these circumstances, the approval of the Shareholders by a Special Resolution is being sought for granting loan(s) and/or giving guarantee(s) and/or providing security(ies) to and/or investing in securities, from time to time, in one or more tranches, in one or more body(ies) corporate described above and the specific details of which will be furnished to the Board before the Board approves the making of investment(s), granting loan(s), giving guarantee(s), providing security(ies), etc. in such body(ies) corporate, even though the aggregate of the loan(s) granted, guarantee(s) given, security(ies) provided and investment(s) made from time to time exceeds the ceiling prescribed under section 372A of the Act computed on the basis of the Audited Accounts of the financial year immediately preceding the financial year in which such loans are made, guarantees given, securities provided and investments made; provided that the excess over the ceiling prescribed under section 372A of the Act, computed at the beginning of the financial year will not at any time exceed Rs.25 crores.

The source of funds for making these investment(s) and / or loan(s) and / or guarantee(s) and / or security(ies) would be met from surplus funds generated by the Company through operations or from such other sources as the Board may deem appropriate.

Since the above investments, loans, guarantees and/ or securities proposed together with the aggregate of loan(s) made, guarantee(s) given, security(ies) provided and investment(s) made from time to time by the Company, may exceed the limit prescribed under section 372A of the Act, prior approval of the Shareholders is required for the same.

The proposal outlined above is in the interest of the Company and the Board recommends the passing of the Resolution as a Special Resolution.

None of the Directors of the Company is in any way concerned or interested in this item of business.

Item No.19

The Company's Equity Shares are presently listed on the following 3 Stock Exchanges in India:

Bombay Stock Exchange Ltd.(BSE)

National Stock Exchange of India Ltd.(NSE)

Ahmedabad Stock Exchange Ltd.(ASE)

Consequent to the recent rapid changes in the capital market and with the availability of nationwide trading facility coupled with wide and extensive networking of centres of BSE and NSE, investors have access to online dealings in the

Company's securities across the country and substantial volume of trading is carries out through these two principal Exchanges. Accordingly, the trading volumes at ASE have gradually diminished. The trading volumes on ASE are negligible and do not justify the payment of listing fees to them. The Company believes that no particular benefit is available to the shareholders of the Company by continuing the listing of Equity Shares on ASE. Moreover, ASE do not provide any value added services to the Company or to its shareholders. The Company is therefore contemplating the delisting of its Equity Shares from ASE.

As per the Delisting of Securities Guidelines, 2003 issued by the Securities and Exchange Board of India (SEBI), an exit opportunity need not be provided to the shareholders of the Company on delisting of its Equity Shares from ASE, provided the Equity Shares of the Company continue to be listed on BSE and NSE.

The proposed voluntary delisting of the Company's Equity Shares from ASE will, apart from the savings resulting from non-payment of annual listing fees, also reduce a lot of administrative work. Besides, the delisting would not adversely affect any investors including the Shareholders located in the region where ASE is situated.

Pursuant to the guidelines issued by SEBI on voluntary delisting of companies of their securities from the Stock Exchanges, it is now proposed to seek the Shareholder's approval by way of Special resolution for voluntary delisting the Company's Equity Shares from ASE.

Your Directors recommend the passing of the said Resolution as a Special Resolution.

None of the Directors of the Company is concerned or interested in this item of business.

By Order of the Board of Directors
For Trigyn Technologies Limited

Rajesh Shirambekar
Company Secretary

Regd. Office :
27, SDF I, SEEPZ, M.I.D.C.,
Andheri (East),
Mumbai - 400 096

Place : Mumbai
Date : August 14, 2007

Information pursuant to Clause 49 of the Listing Agreement on the re-appointment of Directors

1) Mr. Sanjay A. Patkar

Mr. Sanjay Patkar is a practicing Advocate for over 28 years. He renders professional advisory and consultancy services in Indian and International Taxation, Corporate Laws, FEMA and Property related matters. The other companies in which Mr. Patkar holds Directorships include Leading Edge Infotech Limited and Trigyn Technologies (India) Private Limited.

Till date, 25,000 stock options at a price of Rs.10/- each has been granted to . Mr. Sanjay A. Patkar.

2) Mr. C. V. Rao

Mr. C. V. Rao holds a degree in engineering from Bangalore University. He also completed his training in Japan in the field of CNC Wire Cut and CNC Milling and CAD/CAM etc. He has a rich experience of more than 20 years in Telecommunication/PCB/Computer industries specifically in establishing, operating, manufacturing and test facilities, Research and Development of components, for sockets for Integrated Circuits and Co-axial Connectors. He looks after day to day work of United Telecoms Limited and its Associate Companies.

3) Dr. C. Rao Kasarabada

Dr. C. Rao Kasarabada is a Post Graduate in Electrical Engineering with a Doctorate in Electrical Engineering from University of Minnesota, Minneapolis (USA). He has a wide professional and academic experience of more than 25 years in Information Technology and Telecommunications by working on key positions with leading organizations on key positions. He is also member of prestigious associations of Government of India and educational institutions involved in development of Information Technology, Telecommunication etc. He also made is valuable contribution by writing books on Information Technology. He is heading the operations of United Telecoms Limited as a Group Chairman.

4) Mr. Richard Raja

Mr. Richard Raja has rich experience of more than 25 years to his credit. He voluntarily retired from Indian Foreign Service after 16 Years of Govt. Diplomatic Service in Indian Missions / Posts in London, Paris, Vietnam & Rome and during his tenure he handled various assignments successfully in Export of Software, conducting seminars, conferences. He also worked as an IT Officer with Ministry of External Affairs, New Delhi and work closely with eminent personalities in Government Departments, NASSCOM etc.

5) Mr. R. Ganapathi

Mr. R. Ganapathi is a IIT, Madras graduate with a B.Tech Degree. He is also a fellow of the Indian Institute of Foreign Trade. He gained a rich experience while working with Bharat Heavy Electricals Ltd. and Best & Crompton Ltd. has rich experience. He is actively involved in execution of welfare projects undertaken by Rotary Club, Chennai. He is having a marketing consultancy firm in the areas of power projects and power transmission. He is also associated with software training. He represents as a nominee of Electronics Corporation of Tamilnadu on board of companies.

6) Mr. Ch. V. V. Prasad

Mr. Ch. V. V. Prasad holds Diploma in Mechanical engineering from Bangalore University. He is involved in manufacturing, research and development, electronic design, fabrication in telecommunication/PCB/Computer industries for the past 25 years.

7) Mr. D. Ravi Kanth

Mr. D. Ravi Kanth is a professional journalist since 1986 and worked in several publications. In 1997, he moved to Geneva to specialize in global trade and macro-economic issues. During the last ten years, he has written on a daily basis for a publication in Washington on global trade issues, especially on developments at the World Trade Organization. In addition, he writes for a newspaper in India, Singapore, and Bangkok. His core expertise is on global trade negotiaitons, dynamics of international trade flows, and developments in the information technology, intellectual property rights and health-related issues.

By Order of the Board of Directors
For Trigyn Technologies Limited

Regd. Office :
27, SDF I, SEEPZ, M.I.D.C.,
Andheri (East),
Mumbai - 400 096

Rajesh Shirambekar
Company Secretary

Place : Mumbai
Date : August 14, 2007

DIRECTORS' REPORT

Your Directors present the Twenty First Annual Report and audited statement of accounts of Trigyn Technologies Limited for the year ended March 31, 2007.

FINANCIAL RESULTS : **(Rs. In Lakhs)**

Item	**Year ended March 31, 2007**	**Year ended March 31, 2006**
Income from operations	**817.03**	322.25
Other Income	**96.15**	88.39
Provision for doubtful debts/advances no longer required, written back	**47.48**	23.10
Finance Charges	**12.87**	662.33
Depreciation	**11.16**	26.52
Other Expenditure including Personnel costs	**727.88**	433.68
Profit / (Loss) before Tax	**208.75**	(688.79)
Fringe benefit tax	**3.37**	2.11
Profit /(Loss) after tax	**205.38**	(690.90)
Add : Extraordinary items	**3461.04**	-
Net Profit / (Loss)	**3666.42**	(690.90)
Appropriations :		
Proposed Dividend on Preference Shares	**-**	-
Proposed Dividend on Equity Shares	**-**	-
Profit / (Loss) after Appropriations	**3666.42**	(690.90)
Add: Balance Brought Forward	**(66127.23)**	(65436.32)
Balance To Be Carried Forward	**(62460.81)**	(66127.22)

OPERATIONS :

During the year under review, the Company achieved a net turnover of Rs.817.03 lakhs as against Rs.322.25 lakhs in the previous year. Deducting there from the expenditure incurred and providing Rs.12.87 lakhs for Interest and Rs.11.16 lakhs for Depreciation, the operations of your Company resulted in to a profit of Rs.205.38 lakhs. After giving effect of the benefit arisen on One time Settlement (OTS) of debt with Oriental Bank of Commerce, the Company made a net profit of Rs.3666.42 lakhs.

In terms of the SEBI guidelines and after getting necessary approvals of the concerned authorities, at the Board Meeting held on June 16, 2006 your Company has issued and allotted 1,00,00,000 and 1,11,111 equity shares of Rs.10/- each at a premium of Rs.3.50 per share to United Telecoms Limited (UTL), an Investor and Mr. Ramkrishna Bhagwat, Ex-Promoter Director, respectively, on preferential basis. In addition, UTL has also paid 10% of the exercise price for 60,00,000 share warrants allotted at the said meeting, carrying an entitlement to subscribe for equivalent number of equity shares of Rs.10/- each at a price of Rs.13.50 each. The amount mobilized by preferential issue of shares was partly utilized for repayment of entire outstanding debt of and preference shares held by Oriental Bank of Commerce under OTS, thereby making your Company a **debt free** Company.

Your Directors are confident that in view of the said developments, your Company will have an improved performance in the current fiscal and foresee a better future outlook.

CHANGES IN SHARE CAPITAL:

During the year, the Authorised Share Capital of your Company has increased from Rs.25,00,00,000/- to Rs.40,00,00,000/-. Consequent to allotment of equity shares on preferential basis, as stated above, the paid up share capital of your Company has increased from Rs.14,84,98,750/- to Rs.24,96,09,860/-

As a result of OTS with Oriental Bank of Commerce (erstwhile Global Trust Bank Ltd.), 50,00,000 preference shares issued to OBC were fully redeemed. In view thereof, your Board has approved the proposal for re-classification of the present Authorised Share Capital of your Company of Rs.40,00,00,000/- divided into 3,50,00,000 Equity Shares of Rs.10/- each and 50,00,000 65% Cumulative Redeemable Preference Shares of Rs.10/- each to Rs.40,00,00,000/- divided into 3,50,00,000 Equity Shares of Rs.10/- each and 50,00,000 Preference Shares of Rs.10/- each subject to approval of the shareholders.

DIVIDEND:

In view of carried forward losses, your Board of Directors do not recommend any dividend.

SUBSIDIARIES:

As required under section 212 of the Companies Act, 1956, the financial statements of all the subsidiaries, other than the one having implications of liquidation, are enclosed alongwith the Annual Report. The appropriate provision for losses of these subsidiaries has been made by the Company, wherever required.

Particulars of loans /advances and investment in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual report of the Company pursuant to clause 32 of the Listing Agreement and loans and advances in the nature of loans to subsidiaries are given in the statement of accounts forming part of the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS:

The Management Discussion & Analysis Report as annexed hereto and forms an integral part of this report.

FIXED DEPOSITS:

The Company has not accepted any fixed deposits and as such, no principal or interest amount is outstanding as on the Balance Sheet date.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND:

The Company has transferred the amount of Rs. 5,49,198/- pertaining to dividend paid during the years 1995 to 2000 which was due and payable and remained unclaimed and unpaid for a period of seven years, to Investor Education & Protection Fund, as prvided in Section 205A(5) of the Companies Act, 1956.

DELISTING FROM AHMEDABAD STOCK EXCHANGE LTD.:

At present, your Company's equity shares are listed on Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and Ahmedabad Stock Exchange Ltd. The Company confirms having paid Annual Listing Fees to all these Stock Exchanges for the year 2007-08.

Your Company proposes to delist its equity shares from Ahmedabad Stock Exchange Ltd. pursuant to the provisions of Securities and Exchange Board of India (Voluntary Delisting) Guidelines, 2003. Your Board has approved the proposal for delisting subject to approval of the shareholders.

DIRECTORS:

During the year, Mr. Tushar Vaidya resigned on August 31, 2006. Mr. Anil Kale and Mr. Nitin Palekar resinged on September 7, 2006 and Mr. Ramkrishna B. Bhagwat resigned on March 31, 2007 from the directorship of the Company. The Board places on record it's appreciation for the contributions made by them during their tenure.

Mr. C.V. Rao and Mr. Richard Raja were appointed as Directors w.e.f. September 7, 2006 in terms of Section 262 of the Companies Act, 1956, in a casual vacancy caused by resignation of Mr. Tushar Vaidya and Mr. Anil Kale, respectively. Dr. C. Rao Kasarabada and Mr. V.V. Prasad were appointed as Additional Directors of the Company w.e.f. September 29, 2006. Mr. R. Ganapathi was appointed as Addl. Director w.e.f. October 27, 2006 and as an Executive Director w.e.f. April 1, 2007 and Mr. D. Ravi Kanth was appointed as Additional Director w.e.f. April 24, 2007, respectively. Their appointment requires the approval of the members at the ensuing Annual General meeting.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sanjay Patkar retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act 1956, the Directors confirm that :

i) The annual accounts have been prepared as per the applicable accounting standards, along with proper explanations relating to material departures.

ii) Appropriate accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2007 and of the profit & loss account for the year ended March 31, 2007.

iii) Proper and sufficient care has been taken 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 detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis.

EMPLOYEE STOCK OPTION PLAN (ESOP):

Details required to be provided under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure I to this Report.

CORPORATE GOVERNANCE:

A Report on Corporate Governance for the year 2006-07 is given separately in the Annual Report.

AUDITORS QUALIFICATIONS :

The Auditor's remarks in the Auditor's Report are self explanatory. The management is taking appropriate measures to rectify the same.

AUDITORS:

The present Auditors, M/s. RSM & Co., Chartered Accountants who retires at the ensuing Annual General Meeting, have conveyed their inability to continue as the Statutory Auditors consequent to their merger with M/s Price Waterhouse, Chartered Accountants. Price Waterhouse have confirmed their willingness and eligibility for their appointment as Statutory Auditors in a casual vacancy caused by the resignation of M/s. RSM & Co. subject to approval of members at the ensuing Annual General Meeting.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

In view of the nature of activities that are being carried on by your Company, rule 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption, respectively, are not applicable to your company. Your company is, however, making all efforts for reducing energy consumption at office facilities by installing computer systems designed for low power consumption.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earnings of your Company during the year were Rs.8,17,05,103/- (Previous year Rs.3,23,63,251/-) while the outgoings were Rs.45,82,051/- (Previous year Rs.53,91,135/-).

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:

Information to be provided under section 217(2A) of the Companies Act, read with the Companies (Particulars of Employees) Rules 1975 as amended from time to time forms a part of this report. However as per the provisions of section 219 (1)(b)(iv) of the Act, the report and accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under section 217(2A) of the Act. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company for a copy.

ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from its customers, vendors, bankers, SEEPZ, regulatory and Government authorities in India and abroad and its shareholders.

On behalf of the Board of Directors

Mumbai	**Sanjay A. Patkar**	**R. Ganapathi**
August 14, 2007	**Chairman**	**Executive Director**

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Directors including Executive Directors, Non-Executive Directors and Senior Management Officials, which is available on the Company's web site.

I confirm that the Company has in respect of the financial year ended March 31, 2007, received from the Senior Management Officials of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Officials means personnel on the key management positions in the Company as on March 31, 2007.

For Trigyn Technologies Limited

Mumbai	R. Ganapathi
August 14, 2007	Executive Director

Annexure I

INFORMATION REGARDING EMPLOYEE STOCK OPTION PLAN - ESOP 2000 AND ESOP 1998

(As on March 31, 2007)

Sr.	Particulars	ESOP – 2000	ESOP – 1998
1	Number of stock options granted	13,94,050	31,000
2	Pricing Formula	Market Price	Rs.265 per option or prevailing market price whichever is higher
3	Number of options vested	9,78,000	4,000
4	Number of options exercised	375	1,875
5	Total number of shares arising as a result of exercise of option	Nil	1,875
6	Number of options cancelled / lapsed	4,15,675	25,125
7	Variation of terms of options	Nil	Nil
8	Money realized by exercise of options	Nil	Nil
9	Total number of options in force	9,78,000	4,000
10	employee wise details of options granted to:		
	(i) senior managerial personnel	Mr. Homi Panday – 240000 Mr. Thomas Gordon – 300000 Mr. Shailesh Sampat – 150000	Nil
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	Nil
	(iii) identified employees who were granted option, during any one year, equalto or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Same as above	N i l
11	diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share	14.37	14.37
12	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between theemployee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Nil	Nil
13	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	No options were granted during the year	No options were granted during the year
14	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:		
	(i) risk-free interest rate,	Nil	Nil
	(ii) expected life,		
	(iii) expected volatility,		
	(iv) expected dividends,		
	(v) the price of the underlying share in market at the time of option grant.(in Rs.)		

MANAGEMENT DISCUSSION & ANALYSIS

Overview

Trigyn Technologies Ltd., earlier known as Leading Edge Systems Ltd., ("Trigyn Technologies" or "the Company") is a leading software solutions and services company with global operations, delivering cost effective and quality end to end IT software solutions, services and products customized as per the requirements of its internationally acclaimed clients. Trigyn Technologies services help customers to integrate business processes with technology and operate in a marketplace that is no longer restricted by time and distance and thus providing a sustainable competitive advantage. The Company designs and delivers information technology architecture that is customized for Finance, eGovernance, and across various other user verticals. The range of service offerings is one of the most comprehensive in the industry and covers the entire spectrum of Consulting Services, Security Solutions, Web-enabling Services, Staff Augmentation Services, Application reengineering, Application Management and other End-to-End Solutions.

Focus on Quality

Trigyn Technologies is SEI CMM Level 4 Company, which implies that strong management practices and processes are in place, which aid in planning and execution of projects. There is a continuous effort to improve quality management system based on ISO 9001-2000 standards and progress towards SEI CMMI Level 5 in near future. A Total Quality Management & Business Excellence culture is followed by the Company, which seeks to achieve

- Customer Delight
- Empowered Employees
- Higher Revenues
- Lower Costs

In the year 2007-08 the company has planned to achieve a higher level of quality standard, the CMMI (CMM Integrated) Level 5 which focuses not only on the software processes but on the other processes in the organization as well.

Value Added Creative Solutions & Services

- **Software Project Oriented Services**

Trigyn Technologies develops and provides latest functional software applications or products which are cost effective and are based on a customer-centric de-risk model. Projects are delivered as fixed-time / fixed-price basis. Delivery locations are either be onsite (at the customer's location), offsite (at one of the Company's or Associate Company's development center in the US), or offshore (in India). There is a constant endeavour to leverage the current SEI CMM Level 4 process maturity while integrating and managing the esteemed customers' investment, create a seamless transition and rapidly deliver business value. Transparency and schedule compliance form the basis of any project undertaken by Trigyn Technologies.

- **Staff Augmentation Services**

Trigyn Technologies has a valuable resource base with experience and skills in technologies that are critical in providing business solutions. Companies remain dependent on Information Technology to maximize productivity, facilitate the exchange of information internally and externally, and ensure operational efficiencies. As a result, the demand continues for qualified Information Technology (IT) professionals. Over the years the Company has remained at the forefront of technology by recruiting, training and deploying top talent in emerging technologies and has also maintained elite vendor status with many dedicated clientele spanning various industries including Insurance, Financial Services, Government, Manufacturing and Pharmaceutical.

The core competencies herein include :

- Full Life-Cycle Application Development
- Software Quality Assurance & Software Quality Control
- Database Design & Administration
- Network Design, Implementation, Migration & Administration

- Data Warehousing
- Internet & Intranet Architecture
- Legacy Support & Migration
- Regulatory Compliance
- **Consultancy Services - Capital Markets**

Trigyn Technologies has established methodologies and processes to provide business consulting services to the Capital Markets customers. A high Domain Literacy and strong Project Management skills form a core value proposition of Trigyn Technologies in this segment. The Company has presence inter alia in the field of Securities Lending, Mutual Funds, Market Connectivity, Equity Derivatives, Foreign Exchange, Risk Technology and Prime Brokerage. Trigyn has also ventured into partnership with Aptivaa consulting to address needs of the banking industry for the Basel II compliance ordinance of RBI.

- **Re-engineering/Migration Solution**

Trigyn Technologies has successfully created Re-engineering/migrated enterprise-wide applications for some of the global clients, integrating legacy applications with the latest web-based and client-server applications. In the process, the Company has been commended for delivering exceptional results for completeness, accuracy and speed of migration. End-to-end solutions for seamless migration right from planning, installing, and verifying, to customizing, testing, data migration and support are provided.

Business Strategy

The Management of Trigyn Technologies have embarked on a business strategy in order to streamline the operations and bring the Company back into reckoning. This would involve the following:

- Procure contracts with a reasonably long duration that would involve sustained cash flows. To this extent efforts are on and the Management is confident that based on its technical credentials, more so in the US market, the Company would be able to bag a few prestigious projects in the year to come. This would be in the IT as well as the ITES segments. The Company's Subsidiary in US viz. Trigyn Technologies Inc. is expected to play a major role overall in relation to such projects.
- Grow existing relationships and build new relationships. The Company has had a fair amount of success in the United Nations project as well as ICT consulting. Existing clients like the United Nations are being mined for more business through referrals. There would be an added focus on offshore business.
- Focus on new areas of business that offer higher gross margins, specifically eGovernance. Our recent tie up with UTL group has given us substantial depth and width in that area. Trigyn is in the process of rolling out plans for offering services in the area of G2G, G2C and G2B areas.
- Restructuring of the Trigyn Group companies across some locations whose load to carry is hampering the costs due to unnecessary overheads. This activity would be carried out subject to obtaining requisite statutory approvals from the concerned authorities.
- Retaining existing talent through high motivation levels, stock options, optimum salary structure, promotion within ranks and continuous knowledge upgradation.
- Ensure strict compliance of law and regularize any noted non-compliances.

Industry Structure and Outlook

The Indian Information Services and software industry can be categorized into core IT services, which include project oriented services, IT outsourcing, support and training, R & D services, software products design and development, development of embedded systems and sales of proprietary software. The world IT industry, including India, has again slowly and steadily come into fore and the long term prospects remain positive with India being upheld as a major player in IT services and applications in the foreseeable future. The Indian corporate over a broad spectrum have involved a mix-n-match methodology of prudent cost management and creating superior efficiency in operations. There is a continuous pressure on billing rates, drop in operating margins, with 'survival of the fittest' norm in effect.

Trigyn Technologies believes that its business fundamentals and the value proposition to its customers remain intact despite current performance and initiatives are being taken to consolidate the existing businesses and prospect new business given the inherent strengths and legacy of the Company. The Company expects to improve on its performance and hopes to post a better performance in the year 2007-08 by adding to the top line and by securing its bottomline through control and selective rationing of costs. Trigyn Technologies have some decent projects lined up during the year and is confident of a better performance in the near future.

Opportunities

The Company commands a strong brand image in the IT segments it deals with, augmented by the strong India offshoring advantage. The Company's ability to effectively deliver competitively priced and quality niche software solutions and products in international markets would hold it in good stead in the years to come. The Company has an ability to seamlessly provide offshore and onsite services for customers world over. It is this capability to offer blended services that provides a significant opportunity in this competitive market. Trigyn Technologies has offerings across all layers of technology and is also able to provide a wide range of services across a horizontal platform and across verticals such as Financial Services and eGovernance. Trigyn Technologies is a SEI-CMM Level 4 and ISO 9001:2000 standard Company and this high quality standard ensures that the projects executed are managed in a reliable manner through use of comprehensive processes and past project data. In the year 2007-08 the company has plans to upgrade this standard to next level, the CMMI (CMM Integrated).

The Company's revenues are generated primarily from the software and application development and consultancy services rendered by an optimum blend of both onsite and offshore, the primary focus though being on offshore projects. Revenue recognition is done on the basis of the nature of work as may be specified in the Agreement or the Statement of Work. This could be on time and material basis or on fixed basis or on attainment or certain milestones.

There is an ongoing effort on the part of the Company to streamline and rationalize its operations in order to achieve significant cost savings, streamline delivery capabilities and selective manpower recruitments.

Trigyn Technologies focuses on the following core competencies , which would be a key advantage in the near future

- Web Technology which include web services based on JAVA and Microsoft .Net,
- B2B & B2C applications
- Messaging Middlewares and Enterprise Applications Integration (EAI)
- Data Warehousing on Business Objects, Oracle and Hyperion platforms for using archived data for future decisions.
- EMC Documentum solutions

Results of Operations

- Total Income

The total income of Trigyn Technologies for the year 2006-07 was Rs. 960.66 lakhs as compared to Rs. 433.73 lakhs during the year 2005-06. The increased in revenue was primarily due to the higher volume of business during the year under review.

The Company derived revenues mainly from the Finance and eBusiness Segments through a combination of software solutions and service applications as well as through offerings of product suites. The % of contribution per segment basis was :

Finance – 2% and eBusiness – 98%

- Total Expenditure

The total expenditure including interest and depreciation of Trigyn Technologies for the year 2006-07 was Rs. 751.91 lakhs as compared to Rs. 1122.53 lakhs during the previous year. Cost control was a priority of the Management during the year and the total expenditure more than proportionately reduced over the last year due to measures initiated to contain direct and indirect costs.

- Gross Profit / Loss

The Gross Profit of Trigyn Technologies was Rs.208.75 lakhs for the year 2006-07 as compared to Gross Loss of Rs.688.79 lakhs during the previous year. Due to effective measures taken by the management for overall turn around in Gross Profit was due to reduction in the effective revenues, particularly US revenues, with direct costs reducing to a limited extent over last year.

- Net Profit / Loss

The Net Profit after considering Exceptional and Extraordinary Items of Trigyn Technologies was Rs. 3666.41 lakhs for the year 2006-07 as compared to a loss of Rs.690.90 lakhs during the previous year.

Segmentwise performance for the year 2006-07

Trigyn Technologies identifies its operations in terms of the following segments, which include providing niche software solutions customised as per the customer's requirement and by sale of quality product suites.

(Rs. In Lakhs)

	Unaudited		
	Finance	**eBusiness**	**Total**
Total Segmental Revenues	17.37	799.66	817.03
Total Segmental Expenses	6.34	358.67	365.01
Total Segmental Gross Profit / (Loss) before Interest and Tax	11.03	440.99	452.02
Add / (Less) : Finance Charges			(12.87)
Add / (Less) Tax			(3.37)
Add / (Less) Other net unallocable expenditure			(230.40)
Total Profit / (Loss) after Tax and before extraordinary adjustments			205.38

Threats

The business revenues are sourced predominantly from the US market. Despite the US economy looking up and outsourcing being the current norm, a few Indian corporates have bagged the contracts from the US Principals. Outsourcing has become selective, competition is very high and price cutting is rampant. Some MNCs are setting up their own back end development centers in India. Trigyn Technologies is trying to meet the above situation inter alia by aggressive marketing, relentless focus on improvement of work timelines and technology, in-house R & D upgradation, cost control measures, cutting off dead flab and strict quality control.

Risks and Concerns

The revenue growth and profitability of the business of Trigyn Technologies depends is subject to the following factors :

- Changes in the domestic and international economic and business conditions
- Commodotization of the Offshore Software Services business.
- Competition on the product and price front
- Foreign exchange fluctuation
- Length of the sales cycle
- Success in expanding the global operations through direct sales force and indirect distribution channels

- Timing of new product introductions or product enhancements
- Products or Services mix
- Activities of the competitors
- Allocation of resources
- Technical manpower availability

Based on the preceding factors, the Company could experience a shortfall in revenues or earnings or fail to meet the public market expectations, which could materially and adversely affect the business operations, financial condition and market price of the Company's share on the stock market.

Internal Controls and Adequacy

Trigyn Technologies continuously reviews its Internal Control system in order to further strengthen and make it commensurate with the size and nature of the business which currently is well defined and commensurate with the scale of operations of the Company.

People Practices and Processes at Trigyn Technologies

Trigyn Technologies caters to its clients worldwide with services with high maturity practices. The Company which conforms to SEI-CMM Level 4 is currently engaged in preparing for SEI-CMMI Level 5 and also has moved to ISO 9001-2000 framework. To bring out the best from its employees and creating a high opportunity environment, the Company constantly provides stimulus for all to raise the bar in achieving their potential. Trigyn Technologies undertakes programs to foster the unlimited potential of its human resources, in order to create a steady infusion of good management / technical ideas, practices and innovations. The Company, as such, realizes the importance of a competent, motivated and dedicated manpower in achieving its goals. It is the constant endeavour of the Management to share with its workforce the opportunities and challenges faced in its business operations.

Cautionary Statement

Some of the statements made in this section may contain certain 'forward looking statements' within the meaning of securities laws and regulations in force. Facts which are not historical in nature and include but are not limited to Trigyn Technologies business, financial condition, business strategy, plans relating to products and services, future prospects or any related assumptions thereto should be deemed to be 'forward looking statements' and should be considered as such. These 'forward looking statements' are inherently subject to risks and uncertainties, beyond the control of Trigyn Technologies and accordingly the actual results could differ materially from those indicated by the 'forward looking statements'. Trigyn Technologies shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein nor would be under any obligation to update the 'forward looking statements' to reflect the developments of events or circumstances hereafter.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY :

Trigyn Technologies Limited ("the Company") believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards in its dealings with all its constituents.

The Company is committed to follow good Corporate Governance practices, which include having professional Directors on the Board, adopting pragmatic policies and effective systems and procedures and subjecting business processes to audits and checks measuring upto required standards.

The driving force behind the Company's management is "Tomorrow's Progress Today" and backed by "A culture of High - Tech and Quality". The Company quality policy is "To satisfy customer needs and retain leadership by delivering quality services through continuous improvement by motivated employees".

The policies and actions of the Company are in terms of applicable guidelines on Corporate Governance with endeavor to enhance shareholders' value. Pursuant to Clause 49 of the Listing Agreement of Stock Exchanges, the following details are presented:

BOARD OF DIRECTORS

- **Composition and Category of Directors**

During the year ended under review, the Board of Directors comprised of the following Directors:

Name	Category	No. of Directorships in other public companies		Outside Committee positions held **	
		Chairman	Member	Chairman	Member
Mr. Tushar Vaidya*	Wholetime Director and CEO	-	1	-	-
Mr. Ramkrishna Bhagwat*	Wholetime Director	-	1	-	-
Mr. Nitin Palekar*	Independent Director / Non-Executive Director	-	-	1	1
Mr. Anil Kale*	Independent Director / Non-Executive Director	-	-	1	1
Mr. Sanjay Patkar	Chairman / Non Executive Director	-	1	-	-
Mr. C.V. Rao	Non-executive Director	-	13	-	-
Dr. C. Rao Kasarabada	Non-executive director	-	8	-	-
Mr. Richard Raja	Independent Director / Non-Executive Director	-	2	-	-
Mr. R. Ganapathi	Independent Director / Non-Executive Director	-	-	-	-
Mr. V.V. Prasad	Independent Director / Non-Executive Director	-	3	-	-

* Mr. Tushar Vaidya resigned w.e.f. August 31, 2006, Mr. Ram Bhagwat resigned from April 1, 2007, Mr. Anil Kale and Mr. Nitin Palekar resigned w.e.f. September 7, 2006.

** only two committees i.e. the Audit Committee and Share Transfer / Investor Grievance Committee are considered.

1) **Mr. Sanjay A. Patkar**

Mr. Sanjay Patkar is a practicing Advocate and also renders professional advisory and consultancy services in Indian and International Taxation, Corporate Laws, FEMA and Property related matters.

The following directors were appointed during the year:

2) **Mr. C. V. Rao**

Mr. C. V. Rao holds a degree in engineering from Bangalore University. He also completed his training in Japan in the field of CNC Wire Cut and CNC Milling and CAD/CAM etc. He has a rich experience of more than 20 years in Telecommunication/PCB/Computer industries specifically in establishing, operating, manufacturing and test facilities, Research and Development of components, for sockets for Integrated Circuits and Co-axial Connectors. He looks after day to day work of United Telecoms Limited and its Associate Companies.

3) **Dr. C. Rao Kasarabada**

Dr. C. Rao Kasarabada is a Post Graduate in Electrical Engineering with a Doctorate in Electrical Engineering from University of Minnesota, Minneapolis (USA). He has a wide professional and academic experience of more than 25 years in Information Technology and Telecommunications by working on key positions with leading organizations. He is also member of prestigious associations of Government of India and educational institutions involved in development of Information Technology, Telecommunication etc. He also made is valuable contribution by writing books on Information Technology. He is heading the operations of United Telecoms Limited as a Group Chairman.

4) **Mr. Richard Raja**

Mr. Richard Raja has rich experience of more than 25 years to his credit in Indian Foreign Service. He voluntarily retired from Indian Foreign Service after 16 Years of Govt. Diplomatic Service in Indian Missions / Posts in London, Paris, Vietnam & Rome and during his tenure he handled various assignments successfully in Export of Software, conducting seminars, conferences. He also worked as an IT Officer with Ministry of External Affairs, New Delhi and work closely with eminent personalities in Government Departments, NASSCOMetc.

5) **Mr. R. Ganapathi**

Mr. R. Ganapathi is a IIT, Madras graduate with a B.Tech Degree. He is also a fellow of the Indian Institute of Foreign Trade. He gained a rich experience while working with Bharat Heavy Electricals Ltd. and Best & Crompton Ltd. has rich experience. He is actively involved in execution of welfare projects undertaken by Rotary Club, Chennai. He is having a marketing consultancy firm in the areas of power projects and power transmission. He is also associated with software training. He represents as a nominee of Electronics Corporation of Tamilnadu on board of companies.

6) **Mr. Ch. V. V. Prasad**

Mr. Ch. V. V. Prasad holds Diploma in Mechanical engineering from Bangalore University. He is involved in manufacturing, research and development, electronic design, fabrication in telecommunication/PCB/Computer industries for the past 25 years.

- **Attendance of Directors in the Board Meetings and in the last Annual General Meeting**

The Board of Directors has more than 50% Non-executive Directors and the Chairman being Non-Executive Director, more than one-third of the total number of directors are independent directors. The Company's Board of Directors met 10 times during the year 2006-07 and the minimum required information has been placed before the Board. The Board Meetings took place on May 4, 2006, June 16, 2006, June 29, 2006, July 31, 2006, August 31, 2006, September 7, 2006, September 29, 2006, October 27, 2006, January 29, 2007 and March 28, 2007. The maximum gap between any two meetings did not exceed the gap stipulated by Clause 49 I (C) (i) of the Listing Agreement.

Name of the Director	Attendance at the Board Meetings	Attendance at the last AGM held on September 26, 2006
Mr. Tushar Vaidya	1	No
Mr. Ramkrishna Bhagwat	9	Yes
Mr. Sanjay Patkar	10	Yes
Mr. Nitin Palekar	5	No
Mr. Anil Kale	6	No
Mr. C.V. Rao	2	No
Dr. C. Rao Kasarabada	1	No
Mr. Richard Raja	1	No
Mr. R. Ganapathi	2	No
Mr. Ch.V.V. Prasad	2	No

None of the Directors on the Board hold the office of Directors in more than 15 companies or memberships of committees in more than 10 committees or Chairmanship of more than 5 committees across all companies.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 292A of the Companies Act 1956 read with Clause 49 of the Listing Agreement. The Audit Committee consists of four Directors:

Mr. Ch. V.V. Prasad – Independent

Mr. Richard Raja – Independent

Mr. R. Ganapathi – Independent

Mr. Sanjay A. Patkar – Non-executive

The Committee elects the Chairman of the meeting from the Independent Directors present at the meeting.

Amongst other things, the Audit Committee oversees the Company's financial reporting process and disclosures of its financial information to ensure that the financial statements are correct, sufficient, factual and credible. This Committee also periodically reviews the compliance requirements and various internal processes and systems, internal and statutory audit processes and reports. During the year 2006-07, the Committee met four times, on June 29, 2006, July 31, 2006, October 27, 2006 and January 29, 2007.

Name of the Director	Attendance at the Audit Committee Meetings
Mr. Sanjay A. Patkar	4
Mr. Nitin Palekar	2
Mr. Anil Kale	2
Mr. Richard Raja	1
Mr. R. Ganapathi	1
Mr. Ch. V.V. Prasad	2

The Audit Committee has the following power:

i. to investigate any activity within its terms of reference

ii. to seek any information from any employee

iii. to obtain outside legal and professional advice

REMUNERATION COMMITTEE

The Company is not paying remuneration to any of the Non Executive Directors, other than sitting fees except for Mr. Sanjay A. Patkar who has been paid Rs. 1,095,000 for providing the services in his professional capacity on need base basis in terms of S/309(1) of Companies Act, 1956.

The professional fees of above director have been fixed by the Board after considering their professional expertise and experience in the respective fields.

The Remuneration Committee of the Company as of March 31, 2007 consists of the following Directors:

Mr. Ch. V.V. Prasad – Independent (Chairman)

Mr. Richard Raja – Independent

Mr. R. Ganapathi – Independent

Mr. Sanjay A. Patkar – Non-executive

Remuneration paid to Directors during 2006 – 2007

Names	Sitting fees (Rs.)	Remuneration including Salary & Perquisites (Rs.)	Service Contracts	Notice Period
Mr.Ramkrishna Bhagwat	-	1,800,000/-	30-12-2006 to 29-12-2007	15 days
Mr. Tushar Vaidya *	-	-	30-12-2003 to 29-12-2006	-
Mr. Sanjay Patkar	1,45,000/-	-	-	-
Mr. Nitin Palekar	70,000/-	-	-	-
Mr. Anil Kale	80,000/-	-	-	-
Mr. Richard Raja	20,000/-	-	-	-
Mr. R. Ganapathi	35,000/-	-	-	-
Mr. Ch. V.V. Prasad	45,000/-	-	-	-

* Mr. Tushar Vaidya was on the payroll of the US subsidiary, Trigyn Technologies Inc. at a monthly remuneration of US$14,000 (including perquisites).

Mr. Sanjay A. Patkar holds 25,000 stock options granted under ESOP 2000 at a price of Rs.10/- each exercisable into equal number of equity shares.

Amongst other things, the issues under the purview of this Committee are the administration of employee stock options, the compensation policy for key personnel, etc. The Remuneration Committee also functions as the Compensation Committee as per SEBI guidelines on the Employee Stock Option Scheme. During the year 2006-07, the Committee met on January 29, 2007. Mr. V.V. Prasad, Mr. R. Ganapathi and Mr. Sanjay Patkar have attended the said meeting.

SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE

The shares of the Company are listed on the BSE, NSE and ASE. The trading thereof is done in demat mode. The Share Transfer / Investor Grievance Committee of the Company as of March 31, 2007 consists of the following Directors :

Mr. Ch. V.V. Prasad – Independent Director and Chairman

Mr. Richard Raja – Independent Director

Mr. R. Ganapathi – Independent Director (w.e.f. October 27, 2006)

Mr. Sanjay A. Patkar – Non-executive Director

Amongst other things, this Committee reviews critical Investor Grievances and ensures the issues of Investors, both large and small are addressed timely which are referred to by the Company Secretary or by the Company's Registrar & Transfer Agents ('RTA'). The Committee met twice, during the year, on October 6, 2006 and October 20, 2006. Mr. V.V. Prasad, Mr. Richard Raja and Mr. Sanjay Patkar have attended the said meetings.

During the year, the Company received 17 complaints from Investors, all of which have been resolved as on date. One shareholder complaint received from the SEBI which is being attended by the RTA. No complaint received from any of the Stock Exchanges. No share transfers were pending as on March 31, 2007

The Company Secretary acts as a Secretary to all the aforesaid three Committees of the Board.

GENERAL BODY MEETINGS

Details of the location of the Annual General Meetings held during the last three years:

Financial Year	Date	Time
2003 – 2004	September 30, 2004	3.30 p.m.
2004 – 2005	September 22, 2005	3.30 p.m.
2005 – 2006	September 26, 2006	3.30 p.m.

The special resolutions were passed only at the Annual General Meeting held on September 30, 2004 for change in name of the company and also at the Annual General Meeting held on September 22, 2005 for approving stock options to Mr. Thomas Gordon under ESOP 2000 and increase in the limit for grant of ESOP to employees of overseas subsidiaries.

In addition to the Annual General Meeting the Company had also held an Extra Ordinary General Meeting on June 2, 2006 for passing the special resolutions for i) increase in Authorised Capital and alteration of Articles of Association ii) issue of equity shares / warrants on preferential basis.

All the meetings were held at All India Plastic Manufacturers' Association Auditorium, AIIPMA House, A-52, Street No.1, M.I.D.C., Andheri (E), Mumbai - 400 093.

No postal ballots were used / invited for voting at these meetings.

DISCLOSURES

a) The relevant details of all transactions with related parties given in Note No. 10 of Schedule No. 18 of the audited Accounts for the financial year 2006-2007, form a part of this report also. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

b) No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

i) Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49 (IV) (F) of the Listing Agreement

ii) Subsidiary Companies

The Company did not have a material non-listed Indian Subsidiary during the financial year 2006-07.

iii) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

iv) Disclosures on Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures which is periodically reviewed by the Board.

v) Proceeds from the Preferential Issue of equity shares

The Company had during the period allotted 1,00,00,000 equity shares and 60,00,000 share warrants to United Telecoms Ltd., the present Promoters of the Company and 1,11,111 equity shares to Mr. Ramkrishna Bhagwat (ex Promoter and Director) at Rs.13.50 per share (including a premium of Rs.3.50) on preferential basis. The details of utilization of such proceeds are disclosed to the Audit Committee.

The Company has not utilized these funds for purposes other than those stated in the notice convening the Extra-ordinary General Meeting.

vi) Code of Conduct

The Company has adopted the code of conduct and ethics for Directors and senior management which is displayed on Company's website www.trigyn.com. In compliance thereof, a declaration by the Executive Director of the Company forms part of the Director's Report.

vii) CEO/CFO Certification

A certificate from the Executive Director and Finance Controller on the financial statements of the Company was placed before the Board.

viii) Review of Director's Responsibility Statement

The Board in its report have confirmed that the annual accounts for the period ended March 31, 2007 have been prepared as per applicable accounting standards and policies and sufficient care has been taken for maintaining adequate accounting records.

The Company has adopted the mandatory requirements and is considering to follow the non-mandatory requirements as per the listing agreement for Corporate Governance.

MEANS OF COMMUNICATION

The financial results are currently being published in the leading Newspapers like Business Standard (English)/The Free Press Journal (English) and Mumbai Lakshadeep (Marathi)/ Navshakti (Marathi). These results are also made available on the Company's website www.trigyn.com after the respective Stock Exchanges are intimated. Official news releases, details of presentations or analyst meets, if any, and material press coverage received by the Company is also uploaded on the said website for the information of the shareholders.

GENERAL SHAREHOLDERS' INFORMATION

- **Date, time and venue of the Annual General Meeting**

  17th September, 2007 at 3.30 p.m. at All India Plastics Manufacturers' Association Auditorium, AIPMA House, A-52, Road No. 1, MIDC, Andheri (East), Mumbai - 400093.

- **Financial Calendar (tentative and subject to change)**

  April 1, 2007 to March 31, 2008

Financial reporting for the Quarter ended June 30, 2007	Board Meeting was held on July 21, 2007.
Financial reporting for the Quarter / Half Year ended September 30, 2007	On or before October 30, 2007
Financial reporting for the Quarter ended December 31, 2007	On or before January 31, 2008
Financial reporting for the Quarter ended March 31, 2008	On or before April 30, 2008
Annual General Meeting for the year ended March 31, 2008	On or before September 30, 2008

- **Date of Book Closure**

  September 10, 2007 to September 17, 2007 (both days inclusive)

- **Dividend Payment Date**

  No dividend has been declared by the Company during the year 2006-07

- **Listing on Stock Exchanges**

  The Company is listed on :

  Bombay Stock Exchange Ltd. (BSE) under Scrip Code 517562

  National Stock Exchange of India Ltd. (NSE) under Scrip Code TRIGYN

  Ahmedabad Stock Exchange Ltd. (ASE) under Scrip Code 32289 / LEADINGEDG

  The Annual Listing Fees in respect of the equity shares of the Company has been paid for the year 2007-08.

- **Stock Market Price Data**

During the year, the monthly High and Low prices of the Company's script were as under:

Month / Year	Bombay Stock Exchange		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2006	13.83	10.04	13.65	9.85
May, 2006	19.53	11.63	19.75	11.50
June, 2006	17.70	11.20	18.30	11.15
July, 2006	13.95	11.31	13.95	11.10
August, 2006	19.45	11.61	19.15	11.35
September, 2006	20.80	15.50	20.60	15.20
October, 2006	19.40	15.90	19.40	15.60
November, 2006	18.80	15.50	18.55	15.55
December, 2006	28.40	13.80	28.35	14.00
January, 2007	33.20	23.50	33.10	23.50
February, 2007	41.90	27.75	42.25	27.75
March, 2007	28.50	21.60	28.50	21.90

- **Performance of the Company's share prices vis-à-vis the BSE SENSEX & NSE NIFTY**

Month / Year	BSE closing price	SENSEX closing	NSE closing price	NIFTY closing
April, 2006	12.68	12042.56	12.45	3557.60
May, 2006	17.38	10398.61	17.40	3071.05
June, 2006	13.60	10609.25	13.55	3128.20
July, 2006	11.97	10743.88	11.90	3143.20
August, 2006	18.93	11699.05	18.90	3413.90
September, 2006	16.40	12454.42	16.50	3588.40
October, 2006	17.70	12961.90	17.75	3744.10
November, 2006	15.95	13696.31	16.05	3954.50
December, 2006	23.35	13786.91	23.50	3966.40
January, 2007	33.20	14090.92	33.10	4082.70
February, 2007	27.90	12938.09	28.15	3745.30
March, 2007	25.60	13072.10	25.80	3821.55

- **Registrar and Transfer Agents**

  M/s. Sharepro Services (India) Pvt. Ltd.

  Unit: Trigyn Technologies Ltd.
  Satam Estate, 3rd Floor
  Above Bank of Baroda,
  Cardinal Gracious Road,
  Chakala, Andheri (E),
  Mumbai - 400 099.
  Tel. : 022 - 67720300 / 67720309
  Fax : 022 – 28375646
  Email: sharepro@vsnl.com

- **Share Transfer System**

  The Company processes share transfers and such related issues twice in a month. Transfer or transmission documents which are complete in all respects are returned to the respective Shareholders / Lodgers within 30 days of lodgement. Since the Company's shares are currently being traded in dematerialised form, the shareholders are requested to send the shares if held in physical form, directly to their Depository Participant (DP), which would, then by sent to the Registrar and Transfer Agents for dematerialisation.

  Based on the information given by our Registrars and Transfer Agents, no shareholder complaints were pending as on March 31, 2007. The complaints mainly related to issues related to non-receipt of dividend / revalidation of warrants, change of address, etc.

- **Distribution of Shareholding as on 31st March, 2007**

Shareholding in No. of shares	Shareholders		Shares	
	Nos.	% to Total	Nos.	% to Total
Less than 500	12017	76.68	2338609	9.37
501 – 1000	1816	11.59	1558583	6.25
1001 – 2000	899	5.74	1430707	5.73
2001 – 3000	299	1.91	765912	3.07
3001 – 4000	150	0.95	542280	2.18
4001 – 5000	157	1.00	750962	3.00
5001 – 10000	192	1.22	1454709	5.82
10001 and above	143	0.91	16119224	64.58
Total	**15673**	**100.00**	**24960986**	**100.00**

- **Shareholding Pattern as on 31st March, 2007**

Categoty	No of shares held	Percentage of shareholding
Promoter's Holding		
Promoters		
- Indian Promoters	**1,001,8820**	**40.14**
- Foreign Promoters	**-**	**-**
Persons Acting in Concert	-	-
Sub-Total	**10,018,820**	**40.14**
Non- Promoters Holding		
Institutional Investors	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institutions, Insurance Companies, (Central / State Gov. Institutions/Non-Government Institutions)	-	-
FIIs	3,400	0.01
Sub-Total	**3,400**	**0.01**
Others		
Bodies Corporate	1,929,846	07.73
Indian Public	12,617,937	50.56
NRIs / OCBs	390,983	01.56
Sub-Total	**14,938,766**	**59.85**
Grand Total	**24,960,986**	**100.00**

- **Dematerialisation of Shares**

  The shares of the Company are traded in a compulsory demat mode under ISIN : INE948A01012.

  As on March 31, 2007, 99.53% shares of the Company have been dematerialised.

- **Outstanding Warrants**

  The Company, on June 16, 2006 had allotted 60,00,000 share warrants at a price of Rs.13.50 each to United Telecoms Ltd., the present Promoter Company, on preferential basis. The holder of the warrants shall be entitled for one equity share at a price of Rs.13.50 against each warrant any time within 18 months from the date of allotment. The said warrants are outstanding as of March 31, 2007.

- **Locations of Offices and Development Centre**

  Registered / Corporate Office

  Unit 27, SDF-I,
  SEEPZ, Andheri (East),
  Mumbai 400096

US Office
100, Metroplex Drive,
Edison, NJ 08817,
USA

- **Address for Shareholder Correspondence**

  The Company has already displayed on it's website a designated email ID viz.ro@trigyn.com, of the grievance redressal division for the purpose of registering complaints / correspondence by investors in terms of clause 47 (f) of the listing agreement.

  All Shareholders / Investors should address their correspondence to :

Mr. Pravin Golatkar
Senior Manager
Sharepro Services (India) Pvt. Ltd.
Unit : Trigyn Technologies Limited
Satam Estate, 3rd Floor
Above Bank of Baroda
Cardinal Gracious Road,
Chakala, Andheri (E)
Mumbai 400 099
Tel. : 022 - 67720300 / 67720309
Fax : 022 – 28375646
E-mail : praving@shareproservices.com

Mr. Rajesh Shirambekar
Company Secretary & Manger (Legal)
Trigyn Technologies Limited
Unit 27, SDF-I,
SEEPZ, Andheri (East),
Mumbai 400096
Tel. : 022 - 28290909
Fax : 022 – 28291418
E-mail : ro@trigyn.com

TO THE MEMBERS OF TRIGYN TECHNOLOGIES LIMITED

We have examined the compliance of conditions of corporate governance by **Trigyn Technologies Limited** ('the Company') for the year ended on March 31, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

Except for non compliance with respect to the obtaining prior approval of shareholders in general meeting for fees/ compensation paid to independent director, in our opinion and to the best of our information and according to the explanations given to us and representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month as on March 31, 2007 against the Company as per the records maintained by the Shareholders' Committee.

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

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner
Membership No.: F-33220

Mumbai:
Date: August 14, 2007

PERFORMANCE AT A GLANCE

(Rs. In Millions)
for the year ending March 31,

	2007	2006	2005	2004	2003
Total income	96.07	43.37	177.54	114.57	160.58
Operating expenses	72.79	43.43	38.08	355.42	2814.03
operating profit	23.28	-0.05	139.46	-240.85	-2653.45
Interest and finance charges	1.29	66.13	67.90	79.82	127.43
Depreciation	1.12	2.65	5.91	21.05	37.01
Profit before taxes	20.87	-68.83	65.65	-341.72	-2817.89
Taxation	0.34	0.05	0.04	-10.11	10.29
Net profit / (loss)	20.54	-68.88	65.61	-331.61	-2828.18
Dividend %					
Equity	0.00	0.00	0.00	0.00	0.00
Preference	0.00	0.00	0.00	0.00	0.00
Dividend Amount					
Equity	0.00	0.00	0.00	0.00	0.00
Preference	0.00	0.00	0.00	0.00	0.00
Share Capital					
Equity	249.61	148.50	148.50	148.50	148.50
Preference	0.00	50.00	50.00	50.00	50.00
Reserves & Surplus	330.44	-71.60	-2.49	-66.76	265.96
Net worth	580.05	-123.10	-53.99	-118.26	214.46
Net Assets	588.54	343.35	429.89	465.67	806.08
Performance Indicators					
as a % of total income					
Operating Margin	24.23	-0.13	78.55	-210.22	-1652.42
Net Margin	21.38	-158.81	36.95	-289.44	-1761.23
Taxation	0.35	0.11	0.02	-8.82	6.41
Taxation / Net profit / (loss)	1.61	-0.07	0.06	2.96	-0.37
Current Ratio	2.04	0.30	0.57	0.77	1.68
total income/net working capital(times)	1.01	-0.31	-3.11	-4.18	1.42
Fixed assets turnover (times)	0.62	0.29	1.19	0.59	0.76
Receivable (in days)	167.09	192.72	27.86	182.64	275.65
Investment Indicators					
Book value per share	23.24	-8.29	-3.64	-7.96	14.44
Earnings per share	0.90	-4.64	4.42	-22.33	-190.45
Return on capital employed %	3.49	0.00	0.00	0.00	0.00
Share price as on March 31, (BSE) Rs.	25.60	9.57	13.65	10.53	11.40
Market capitalisation (in millions)	639	142	202.70	156.37	169.29

AUDITORS' REPORT

TO THE MEMBERS OF TRIGYN TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of **Trigyn Technologies Limited** ('the Company') as at March 31, 2007, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date (together referred to as 'financial statements'). 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, ('the said Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *As stated in Note 5 to Schedule 18, investments in two subsidiaries are being carried at its carrying value of Rs. 479.37 million and no further provision for diminution in value of investments is considered necessary by the management. In our opinion, the extent of the erosion in the net worth of the two subsidiaries is significant. However, we are unable to comment on the amount of shortfall in the provision for further diminution in the value of the aforesaid investments.*
5. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e. on the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2007 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   f. subject to what is stated in paragraphs 4 above the effect of which could not be determined, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
      i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;
      ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and,
      iii. in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For RSM & Co.
Chartered Accountants

Place: Mumbai
Date: August 14, 2007

Vilas Y. Rane
Partner (F-33220)

ANNEXURE TO AUDITORS' REPORT OF TRIGYN TECHNOLOGIES LIMITED

(Referred to in our Report of even date)

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

(b) The Company has a carried out a physical verification of fixed assets. We are informed that no material discrepancies were noticed on such verification.

(c) The Company has not disposed off substantial part of fixed assets during the year, and accordingly, going concern is not affected.

(ii) The Company is in the business of providing software services, hence provisions of paragraph 4 (ii) (a), (b) and (c) of the said Order are not applicable.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of paragraph 4 (iii) (b), (c), (d), (f) and (g) of the said Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system. We are informed that the nature of Company's business does not involve purchase of inventory and sale of goods.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.

(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of section 58A, section 58AA and any other relevant provisions of the Act and the rules framed there under. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act for any of the activities of the Company.

(ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax and any other statutory dues with the appropriate authorities and there were no such outstanding dues as at March 31, 2007 for a period exceeding six months from the date they became payable except amount payable to Investor Education and Protection Fund amounting to Rs. 380,061 and sales tax amounting to Rs.13,343, since paid. As explained to us Service Tax, Wealth Tax, Custom duty, Excise duty and Cess are presently not applicable to the Company.

(b) According to the information and explanations given to us, there are no disputed dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess remaining unpaid as at the year end.

(x) In our opinion and according to the information and explanations given to us, the Company's accumulated losses exceed 50% of its net worth at the end of the financial year under reporting; and the Company has not incurred cash losses in the financial year under report. The Company has incurred cash losses in the immediately preceding financial year.

(xi) On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of the dues to a bank with respect to its borrowings. The Company has not borrowed any loans from financial institutions and debenture holders.

(xii) As the Company has not granted any loans or advances against security, the provisions of paragraph 4 (xii) of the said Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund, or a nidhi, mutual benefit funds/societies, accordingly, the provisions of paragraph 4 (xiii) of the said Order are not applicable.

(xiv) On the basis of our examination and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) According to the information and explanations given to us, the Company has applied the term loans for the purpose for which the loans were obtained.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used the fund borrowed on short term basis during the year for long term investments.

(xviii) According to the information and explanations given to us, during the period under report, the Company made preferential allotment of equity shares to a director listed in the register maintained under Section 301 of the Companies Act, 1956. The price at which these allotments were made is not prejudicial to the interest of the Company as it was determined in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

(xix) The Company has not issued debentures or made any public issue during the year and accordingly the provisions of paragraph 4 (xix) and (xx) of the said Order, are not applicable.

(xx) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

Place: Mumbai

Date: August 14, 2007

BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	**249,609,860**	198,498,750
Share application money	2	**8,497,500**	397,500
Reserves and surplus	3	**6,576,516,695**	6,541,127,805
		6,834,624,055	6,740,024,055
Loan funds			
Secured loans	4	-	216,046,371
		6,834,624,055	6,956,070,426
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	**155,425,116**	148,959,408
Less: Accumulated depreciation		**145,416,739**	144,734,895
Net block		**10,008,377**	4,224,513
Capital work-in-progress		**4,125,959**	-
		14,134,336	4,224,513
Investments	6	**479,423,600**	479,423,600
Current assets, loans and advances			
Unbilled debtors	7	**-**	-
Sundry debtors	8	**37,402,984**	17,014,906
Cash and bank balances	9	**86,438,889**	19,791,699
Loans and advances	10	**62,756,836**	24,166,485
		186,598,709	60,973,090
Less: Current liabilities and provisions			
Current liabilities	11	**89,561,411**	200,434,229
Provisions	12	**2,052,512**	1,303,321
		91,613,923	201,737,550
Net current assets/(liabilities)		**94,984,786**	(140,764,460)
Miscellaneous expenditure (to the extent not written off or adjusted)	13	**-**	463,800
Profit and loss account		**6,246,081,333**	6,612,722,973
		6,834,624,055	6,956,070,426
Notes to the accounts	18		

As per our report of even date attached

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

Place: Mumbai
Date: August 14, 2007

For Trigyn Technologies Limited

Sanjay A. Patkar — **Chairman**

R. Ganapathi — **Executive Director**

Milind Telawane — **Finance Controller**

Rajesh Shirambekar — **Company Secretary**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Income			
Software development services		**81,703,428**	32,224,446
Other income	14	**9,614,691**	8,838,593
Provision for doubtful advances no longer required, written back		**4,747,554**	2,310,481
		96,065,673	43,373,520
Expenditure			
Personnel costs	15	**42,370,661**	28,673,668
Depreciation	5	**1,115,903**	2,651,645
Finance charges	16	**1,287,134**	66,233,509
Other costs	17	**30,417,097**	14,694,430
		75,190,795	112,253,252
Profit / (Loss) for the year before tax and extraordinary adjustments		**20,874,878**	(68,879,732)
Less: Provision for taxation			
- Income tax provision		**-**	-
- Fringe benefit tax		**337,087**	210,828
Profit / (Loss) for the year after tax and before extraordinary adjustments		**20,537,791**	(69,090,560)
Add: Extra-Ordinary adjustments (Refer note 3 to schedule 18)		**346,103,849**	-
Profit / (loss) for the year after tax and extraordinary adjustments		**366,641,640**	(69,090,560)
Losses brought forward		**(6,612,722,973)**	(6,543,632,413)
Losses carried to balance sheet		**(6,246,081,333)**	(6,612,722,973)
Earning per share before extraordinary adjustments			
- Basic earnings per share (Face value of Rs. 10 each, refer note 6 to schedule18)		**0.90**	(4.65)
- Diluted earnings per share (Face value of Rs. 10 each, refer note 6 to schedule 18)		**0.81**	(4.61)
Earning per share after extraordinary adjustments			
- Basic earnings per share (Face value of Rs. 10 each, refer note 6 to schedule18)		**16.04**	(4.65)
- Diluted earnings per share (Face value of Rs. 10 each, refer note 6 to schedule 18)		**14.37**	(4.61)
Notes to the accounts	18		

As per our report of even date attached

For RSM & Co.
Chartered Accountants

For Trigyn Technologies Limited

Vilas Y. Rane
Partner (F-33220)

Sanjay A. Patkar
Chairman

R. Ganapathi
Executive Director

Place: Mumbai
Date: August 14, 2007

Milind Telawane
Finance Controller

Rajesh Shirambekar
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Cash flow from operating activities		
Profit / (Loss) for the year before tax and after extraordinary adjustments	**366,978,727**	(68,879,732)
Adjustments for:		
Interest income	**(2,409,155)**	(587,422)
Income from trade investments	**(7,000)**	(7,000)
Provision for doubtful advances subsidiaries	**(4,747,554)**	(2,310,481)
Interest written back (Refer note 3 to Schedule 18)	**(153,546,371)**	-
Loan written back (Refer note 3 to Schedule 18)	**(192,557,478)**	-
Depreciation and amortization	**1,579,703**	2,948,690
Loss / (profit) on sale of assets, net	**(120,000)**	(25,000)
Interest Cost	**460,311**	66,126,407
Operating profit / (loss) before working capital changes	**15,631,183**	(2,734,538)
Changes in:		
(Increase)/Decrease in Sundry Debtors	**(20,388,078)**	(13,307,945)
(Increase)/Decrease in Loans and advances	**(33,755,470)**	(328,424)
Increase/(Decrease) in Current Liabilities and Provisions	**82,433,851**	2,324,403
Cash generated / (used in) from operations	**43,921,485**	(14,046,505)
Direct tax paid (net)	**(424,414)**	(639,567)
Net cash generated / (used in) from operations (A)	**43,497,071**	(14,686,072)
Cash flow from investing activities		
Sale of fixed assets	**120,000**	25,000
Purchase of fixed assets	**(11,025,726)**	(148,165)
Interest Received	**2,409,155**	680,195
Dividend Received	**7,000**	7,000
Loans to subsidiaries (net)	**-**	12,370,002
Net cash (used) /generated in investing activities (B)	**(8,489,571)**	12,934,032

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007 *(Contd.)*

	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Cash flow from financing activities		
Interest paid	**(193,017,788)**	(126)
Interest written back (Refer note 3 to Schedule 18)	**192,557,478**	-
Proceeds from fresh issue of equity shares	**136,500,000**	-
Proceeds from share application money	**8,100,000**	-
Repayment of preference share capital	**(50,000,000)**	-
Repayment of loans	**(216,046,371)**	(17,439,040)
Loan written back (Refer note 3 to Schedule 18)	**153,546,371**	-
Net Cash generated / (used in) from financing activities (C)	**31,639,689**	(17,439,166)
Increase / (Decrease) in cash and cash equivalents (A+B+C)	**66,647,190**	(19,191,206)
Cash and cash equivalents at the beginning of year	**19,791,699**	38,982,905
Cash and cash equivalents at the end of year *	**86,438,889**	19,791,699

*Includes unrealised exchange loss of Rs.2,554,627
(2006: gain of Rs. 247,047)

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 'Cash flow statements' issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents as at the year end consist of cash Rs.31,839 (2006: Rs.74,783) and bank balances in current account Rs.61,035,452 (2006: Rs.19,357,871) and in deposit account Rs.25,371,597 (2006: Rs. 359,045).

As per our report of even date attached

For RSM & Co.
Chartered Accountants

For Trigyn Technologies Limited

Vilas Y. Rane
Partner (F-33220)

Sanjay A. Patkar
Chairman

R. Ganapathi
Executive Director

Place: Mumbai
Date: August 14, 2007

Milind Telawane
Finance Controller

Rajesh Shirambekar
Company Secretary

Schedules to the financial statements for year ended March 31, 2007

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 1. Share capital		
Authorised		
35,000,000 (2006: 20,000,000) equity shares of Rs 10 each.	**350,000,000**	200,000,000
5,000,000 (2006: 5,000,000) preference shares of Rs 10 each.	**50,000,000**	50,000,000
	400,000,000	250,000,000
Issued, subscribed and paid-up		
24,960,986 (2006: 14,849,875) equity shares of Rs 10 each fully paid-up.	**249,609,860**	148,498,750
Nil (2006: 5,000,000) cumulative redeemable preference shares of Rs 10 each fully paid-up.	-	50,000,000
Total	**249,609,860**	198,498,750

Of the above, 5,251,666 (2006: 5,251,666) equity shares of Rs 10 each fully paid-up have been issued as bonus shares by capitalisation of share premium.

Of the above, 7,350,000 (2006: 7,350,000) equity shares of Rs 10 each fully paid-up with a premium of Rs 815 have been allotted to eCapital Holding (Bermuda) Limited for consideration other than cash for acquiring 7,350,000 equity shares (representing 100% of issued and paid up share capital) of eCapital Solutions (Bermuda) Limited.

During the year 5,000,000 (2006: Nil) cumulative redeemable preference shares of Rs 10 each fully paid-up issued and alloted to Oriental Bank of Commerce (earlier known as Global Trust Bank) have been redeemed in full consequent to One Time Settlement of all outstanding dues with the said Bank.

Refer note 8 to schedule 18 for Employee Stock Options granted by the Company.

Schedule 2. Share application money		
Application money under Employees stock option plan ('ESOP')	**397,500**	397,500
Warrant Application money - UTL	**8,100,000**	-
Total	**8,497,500**	397,500

(The Company, on June 16, 2006 has allotted 60,00,000 share warrants at a price of Rs.13.50 each on preferential basis. The holder of the warrants shall be entitled for one equity share at a price of Rs.13.50 against each warrant any time within 18 months from the date of allotment. The said warrants are outstanding as of March 31, 2007.)

Schedule 3. Reserves and surplus		
Share premium account		
- Balance at the beginning of the year	**6,538,364,825**	6,538,364,825
- Addition on issue of shares	**35,388,890**	-
- Balance at the end of the year	**6,573,753,715**	6,538,364,825
Employee stock options outstanding		
- Balance at the beginning of the year	**2,762,980**	2,775,135
- Addition on issue of stock options	-	-
- Reversal on forfeiture of stock options	-	(12,155)
- Balance at the end of the year	**2,762,980**	2,762,980
Total	**6,576,516,695**	6,541,127,805

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 4. Secured loans		
From banks		
Term loans	-	216,046,371
Total	-	216,046,371

Schedule 5. Fixed assets (At cost)

(Amount in Rs.)

Particulars	Gross Block				Depereciation				Net Block	
	As on 1-Apr-06	Additions during the year	Deletion during the year	As on 31-Mar-07	Upto 1-Apr-06	For the year	Deletion during the year	Upto 31-Mar-07	As on 31-Mar-07	As on 31-Mar-06
Tangible assets										
Buildings (Note 1)	6,449,503	-	-	6,449,503	2,511,779	363,834	-	2,875,613	3,573,890	3,937,724
Leasehold Improvements	74,038,904	1,608,896	-	75,647,800	74,011,826	78,913	-	74,090,739	1,557,061	27,078
Computers & Peripherals	58,463,194	1,246,532	-	59,709,726	58,315,340	216,909	-	58,532,249	1,177,477	147,854
Office Equipments	7,511,709	808,027	-	8,319,736	7,417,780	75,551	-	7,493,331	826,405	93,929
Furniture & Fixtures	2,062,039	1,333,128	-	3,395,167	2,044,111	137,620	-	2,181,731	1,213,436	17,928
Motor Vehicles	434,059	-	434,059	-	434,059	-	434,059	-	-	-
Intangible assets										
-Computer Software (Note: 2)	-	1,903,184	-	1,903,184	-	243,076	-	243,076	1,660,108	-
	148,959,408	**6,899,767**	**434,059**	**155,425,116**	**144,734,895**	**1,115,903**	**434,059**	**145,416,739**	**10,008,377**	**4,224,513**
Previous year	149,250,302	148,165	439,059	148,959,408	142,522,309	2,651,645	439,059	144,734,895	4,224,513	

Note 1: Building includes value of properties in Co-operative societies including shares of respective societies.

Note 2: Computer software includes Rs.41,872 on account of foreign currency fluctuation

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 6. Investments		
Long term investments (at cost)		
Trade (unquoted) investment in wholly owned subsidiaries		
7,350,000 (2006:7,350,000) equity shares of US $ 0.40 each fully paid -up in eCapital Solutions (Bermuda) Limited	**6,064,716,375**	6,064,716,375
15,000 (2006:15,000) equity shares of US $ 1 each fully paid-up in Applisoft Inc. USA	**421,629,079**	421,629,079
500,000 (2006: 500,000) equity shares of Rs 10 each fully paid-up in Leading Edge Infotech Limited	**5,000,000**	5,000,000
	6,491,345,454	6,491,345,454
Less: Provision for decline other than temporary in the value of investment in subsidiaries (Refer Note 5 of Schedule 18)	**6,011,975,454**	6,011,975,454
	479,370,000	479,370,000
Non - trade (unquoted) investments		
100 (2006: 100) equity shares of Rs 36 each fully paid-up in Bombay Mercantile Co operative Bank Limited	**3,600**	3,600
5,000 (2006: 5,000) equity shares of Rs 10 each fully paid-up in North Kanara GSB Co operative Bank Limited	**50,000**	50,000
	53,600	53,600
Total	**479,423,600**	479,423,600

Schedule 7. Unbilled debtors		
(Unsecured, considered good, unless otherwise stated)		
Debts over six months		
- Considered doubtful	**1,319,189**	1,319,189
Less: Provision for doubtful debts	**1,319,189**	1,319,189
Total	-	-

Schedule 8. Sundry debtors		
(Unsecured, considered good, unless otherwise stated)		
Debts over six months		
- Considered doubtful*	**269,726,586**	269,726,586
Others debts		
- Considered good**	**37,402,984**	17,014,906
	307,129,570	286,741,492
Less: Provision for doubtful debts	**269,726,586**	269,726,586
Total	**37,402,984**	17,014,906

* includes due from Trigyn Technologies Ltd. (UK) Rs.6,009,496 (2006: Rs.6,009,496) and Trigyn Technologies Inc Rs.90,700,019 (2006:Rs.90,700,019), which are the companies under same management as defined under section 370(1B) of the Companies Act, 1956.

** due from Trigyn Technologies Inc, which is the company under same management as defined under section 370(1B) of the Companies Act, 1956.

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 9. Cash and bank balances		
Cash on hand	**31,839**	3,283
Cheques on hand	**-**	71,500
Balances with scheduled banks		
- in current account	**60,798,886**	16,656,773
- in deposit account	**25,371,597**	359,045
	86,202,322	17,090,601
Balances with other banks in current account		
- First Fidelity Bank NA, USA	**236,567**	383,334
- Overseas Chinese Banking Corporation	**-**	2,317,764
	236,567	2,701,098
Total	**86,438,889**	19,791,699
Maximum balance held during the year with other banks on current account		
- First Fidelity Bank NA, USA	**383,334**	630,012
- Overseas Chinese Banking Corporation	**2,317,764**	2,317,764
Schedule 10. Loans and advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received*	**41,250,642**	685,523
Loans to subsidiaries**	**17,990,131**	20,365,497
Loans and advances to employees	**387,973**	71,234
Deposits	**146,572**	150,041
Advance taxes [(net of provision for tax Rs.547,915 (2006: Rs.210,828)]	**2,981,518**	2,894,190
	62,756,836	24,166,485
(Unsecured, considered doubtful)		
Loans to subsidiaries**	**213,690,720**	218,438,274
Loans and advances to employees	**1,016,528**	1,016,528
Advance for Purchase of Fixed Asset	**1,342,893**	1,342,893
	216,050,141	220,797,695
Less: provision for doubtful loans and advances	**216,050,141**	220,797,695
	-	-
Total	**62,756,836**	24,166,485

*includes due from Trigyn Technolgies Inc. Rs.37,813,701 (2006: Rs.Nil), which is the company under the same management as defined under section 370(1B) of the Companies Act, 1956. Maximum amount outstanding during the year from Trigyn Technologies Inc. Rs.67,977,372 (2006:Rs.Nil)

**includes due from Trigyn Technologies (India) Private Limited Rs.210,791,330 (2006: Rs.212,202,803), Leading Edge Infotech Limited Rs.17,998,976 (2006: Rs.23,765,788), eVector (India) Private Limited Rs. 9,505 (2006: Rs.9,505), Trigyn Technologies Limited UK Rs.2,075,814 (2006: Rs.2,075,814), Applisoft Inc. Rs.778,513 (2006: Rs.723,148) and eVector Inc. Rs.26,713 (2006: Rs.26,713) which are companies under the same management as defined under section 370(1B) of the Companies Act, 1956.

Maximum amount outstanding during the year from Trigyn Technologies India Private Limited Rs. 212,475,330 (2006: Rs.221,474,943), Leading Edge Infotech Limited Rs.24,005,788 (2006: Rs.25,695,872), eVector (India) Private Limited Rs.9,505 (2006: Rs.9,505), Trigyn Technologies Limited UK Rs.2,075,814 (2006: Rs.2,075,814), Applisoft Inc. Rs. (2006: Rs.2,322,096), and eVector Inc. Rs.26,713 (2006: Rs.26,713).

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 11. Current liabilities		
Sundry creditors	**5,027,093**	192,744
Unclaimed dividend		
- Amount to be deposited with Investor Education and Protection Fund	**380,061**	164,478
- Others	**109,241**	324,824
Other liabilities	**84,045,016**	69,752,183
Interest accrued but not due	**-**	130,000,000
	89,561,411	200,434,229
Schedule 12. Provisions		
Provision for leave encashment and gratuity costs	**2,052,512**	1,303,321
	2,052,512	1,303,321
Schedule 13. Miscellaneous expenditure (to the extent not written off or adjusted)		
Opening Balance	**463,800**	773,000
Less: written off during the year	**463,800**	309,200
	-	463,800
Schedule 14. Other income		
Interest on deposits with banks		
(Tax Deducted at Source Rs 360,182 (2006: Rs 142,030)	**2,409,155**	542,212
Interest on Income Tax Refund	**49,596**	45,210
Sundry balance written back	**72,258**	62,227
Lease rental income	**6,939,864**	7,592,606
Profit on sale of fixed assets	**120,000**	25,000
Dividend from non-trade investments (long term)	**7,000**	7,000
Exchange gain (net)	**-**	564,338
Miscellaneous income	**16,818**	-
	9,614,691	8,838,593

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 15. Personnel costs		
Salaries, bonus and overseas allowances	**37,562,424**	25,832,382
Contribution to provident and other funds	**2,895,233**	1,653,738
Gratuity and leave encashment costs	**1,214,457**	842,585
Staff welfare	**698,547**	357,118
Employee stock option expense, net of forfeiture of options	**-**	(12,155)
	42,370,661	28,673,668
Scheule 16. Finance charges		
Interest		
- On term loans*	**-**	66,126,281
- Others	**460,311**	126
Bank and other finance charges	**826,823**	107,102
	1,287,134	66,233,509

* Includes Rs. Nil (2006: Rs. 32,500,000) provided for in lieu of preference dividend for 2006.

Schedule 17. Other costs		
Consultancy charges	**3,254,436**	352,300
Travel and conveyance costs	**7,228,203**	5,459,036
Legal and professional fees	**10,297,453**	3,681,278
Rent,rates and taxes	**845,282**	555,711
Electricity Charges	**1,123,390**	1,006,050
Communication expenses	**888,770**	916,107
Insurance	**795,374**	28,983
Repairs and maintenance		
- Buildings	**-**	3,200
- Plant and machinery	**202,171**	158,688
- Others	**140,349**	101,515
Exchange Loss (Net)	**2,286,966**	-
Amortisation of miscellaneous expenditure	**463,800**	309,200
Miscellaneous expenses	**2,890,903**	2,122,362
	30,417,097	14,694,430

Schedules annexed to and forming part of accounts for the year ended March 31, 2007 *(Contd.)*
(Currency: Indian Rupee)

Schedule 18. Notes to Accounts

1. **Background**

Trigyn Technologies Limited ('TTL' or 'the Company') was incorporated on March 25, 1986. The Company made its initial public offering in January 1995 and is presently listed on the National, Mumbai, and Ahmedabad Stock Exchanges.

TTL is primarily engaged in the development of customized applications and client server custom engineered solutions, principally to customers in the telecommunications, and financial services sectors.

Currently, TTL has its software development center in Mumbai, India ('the Head Office') and the Company operates in US through its subsidiary Trigyn Technologies Inc. In 1997, the Company established a wholly owned subsidiary, Leading Edge Infotech Limited ('LEIL'), which is engaged primarily in providing software services for the financial services market in India.

The Company operates in United States, and Germany through its subsidiaries, which became part of Trigyn group pursuant to the acquisition of these subsidiaries by Trigyn in April 2000 and January 2001.

2. **Principal accounting policies**

2.1 Basis of preparation of financial statements

a. The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

b. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

c. These financial statements have been prepared assuming the Company will continue as a going concern despite substantial erosion of net worth. The Management believes that the Company will be able to finance its operations and meet its commitments including commitments given to support its subsidiaries from internal cash generation. Further, the Company has issued preferential shares to a strategic investor M/s. United Telecoms Limited and settled its dues payable to Oriental Bank of Commerce in full through One Time Settlement with the said bank during this financial year. Now, the Company has become completely debt free and also in a position to meet it's working capital and / or capex requirements in future from its operating revenues.

2.2 Revenue recognition

Revenues from software development services comprise income from time and material and fixed price contracts. Revenue from 'time and material' contracts is recognised, as and when related services are performed and accepted by the customer. Revenue from fixed price contracts is recognised using the percentage of completion method of accounting, under which the sales value of performance, including the profit thereon, is determined by relating the actual man hours of work performed to date to the estimated total man hours for each contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable, based on current contract estimates.

Unbilled receivables represent costs incurred and revenues recognised on contracts, to be billed in subsequent periods as per the terms of the contract.

Interest and Other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

Schedules annexed to and forming part of accounts for the year ended March 31, 2007 ***(Contd.)***
(Currency: Indian Rupee)

Schedule 18. Notes to Accounts *(Contd.)*

2.3 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the fixed assets. Cost also includes financing costs directly attributable to acquisition of fixed assets. Depreciation on additions and disposals is provided pro-rata for the period of use.

Depreciation is provided on straight line basis at higher of the rates based on useful lifes of the fixed assets as estimated by the management and those stipulated in Schedule XIV to the Companies Act, 1956.

The useful lives of fixed assets as estimated by the management are:

Asset	Useful life (in years)
Leasehold improvements / Assets taken on lease	Over the term of the lease or the estimated useful life of the asset which ever is shorter
Buildings	20 years
Office equipment	3-4 years
Computers and peripherals and Computer Software	3 years
Furniture and fixtures	4 years
Motor vehicles	4 years

2.4 Retirement benefits

Contributions to the employees' provident fund, which is a defined contribution scheme, are charged to the profit and loss account in the year in which the contributions are due. Leave encashment costs are provided for, based on an actuarial valuation carried out by an independent actuary at the balance sheet date. Gratuity costs, which are defined benefits, are based on an actuarial valuation carried out by an independent actuary at the balance sheet date.

2.5 Investments

Long-term investments are carried at cost, and provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are carried at lower of cost and fair value.

2.6 Miscellaneous expenditure

Miscellaneous expenditure comprises loan origination costs are written off on a straight-line basis over the outstanding period of the loan.

2.7 Income tax

Current tax provision is made annually based on the tax liability computed after considering tax allowances and exemptions. Further, deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, other than deferred tax assets in respect of unabsorbed depreciation and carry forward tax losses, which are recognised only to the extent that there is virtual certainty that they will be realized. Deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

2.8 Leases

Assets given under operating lease are reflected in the financial statements under fixed assets. Further, lease income from such operating lease arrangements have been recognised in the statement of profit and loss on a straight line basis over the lease term.

Schedules annexed to and forming part of accounts for the year ended March 31, 2007 ***(Contd.)***
(Currency: Indian Rupee)

Schedule 18. Notes to Accounts *(Contd.)*

2.9 Foreign currency transactions

Indian operations

Transactions in foreign currency are recorded at the monthly average exchange rates. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the year are recognised in the profit and loss account. Foreign currency denominated current assets and current liabilities at the year-end are translated at the year-end exchange rates and the resulting net gain or loss is recognised in the profit and loss account other than the exchange rate difference relating to fixed assets, that are adjusted against the carrying costs of corresponding fixed assets.

US Branch office operations

Foreign currency denominated current assets and current liabilities at year-end are translated at the year-end exchange rates. Net exchange difference resulting from translation of items in the financial statements of the foreign Branch is recognised in the profit and loss account.

2.10 Stock based compensation

Compensation cost relating to employee stock options granted by the Company has been accounted in accordance with the "SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999" issued by Securities and Exchange Board of India. Accordingly, the excess of the market price of the underlying equity share as at the date of grant of the option over the exercise price of the options on the date of grant has been recognized as employee compensation expense and is being amortised on a straight line basis over the vesting period.

2.11 Earnings per share

The basic earnings per share is computed by dividing the profit/ loss after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

2.12 Segment information

In accordance with Accounting Standard 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India, if the Company's single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, the Company has chosen to present segment information only in its consolidated financial statements.

2.13 Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet.

3. Extraordinary Item

In the current year, the Company has entered into an One Time Settlement ('OTS') with Oriental Bank of Commerce ('OBC' or 'the bank'). As per the terms of the OTS, the bank has permitted the full and final settlement of term loan granted to the Company amounting to Rs.21.60 crores (interest thereon Rs. 6.26 crores upto March 31, 2006) and the investment made by the bank in preference share capital of the Company amounting to Rs. 5 crores (interest thereon Rs.13 crores upto March 1, 2006) for Rs. 11.25 crores subject to fulfillment of certain conditions. The Company has fulfilled the said conditions by way of issue of further shares to the strategic investor. The Company has made the full payment of Rs. 11.25 crores to the bank towards settlement, and the balance amount of Rs. 15.35 crores towards loan and Rs. 19.26 crores towards interest has been written back in the books as Extraordinary adjustments.

4. Pursuant to the approval of members accorded at the Extra Ordinary General Meeting held on June 2, 2006, the Company has during the year alloted 10,111,111 equity shares of Rs. 10 each for cash at a premium of Rs. 3.50

Schedules annexed to and forming part of accounts for the year ended March 31, 2007 *(Contd.)*
(Currency: Indian Rupee)

Schedule 18. Notes to Accounts *(Contd.)*

per equity share and 6,000,000 share warrants of Rs. 10 each (10% of the total subscription price to be paid upfront on the date of allotment of the warrants) convertible into equity shares of Rs. 10 each at a premium of Rs. 3.50 per equity share on a preferential basis. These share warrants are convertible into equity shares by December 16, 2007 at the option of the warrant holders.

The amount received on allotment of 10,111,111 equity shares and upfront consideration towards 6,000,000 share warrants alloted during the year has been invested/utilised as follows:

Sr. No	Partculars	Amount (Rs.)
1.	Repayment of Term Loan	62,500,000
2.	Redemption of Cummulative Preference shares	50,000,000
3.	Capital Expenditure	9,122,542
4.	Utilisation for working capital	7,082,142
5.	Unutilised till March 31, 2007 (in the fixed deposit of the bank)	15,895,316
	Total	**144,600,000**

5. Provision for decline other than temporary in the value of investments

In April 2000, the Company allotted 7,350,000 equity shares of Rs 10 each at a premium of Rs 815 in consideration aggregating Rs 6,064.72 million for acquiring 7,350,000 equity shares, representing 100% equity interest in eCapital Solutions (Bermuda) Limited ("EB"). The investment was recorded by crediting share capital and share premium accounts. Further, in January 2001, the Company also acquired 100% equity stake in Applisoft Inc for consideration in cash aggregating Rs 421.63 million.

On the basis of a preliminary evaluation in the year 2002 and 2003, the Company had made a provision for 'decline other than temporary' in the carrying value of its investments in eCapital (Bermuda) Limited and Applisoft Inc. aggregating Rs 5837.71 million. The primary reasons for such decline are attributed to the general downturn in the software services and products business, which may result in loss of certain perceived business synergies.

In the year 2004, the company has engaged the services of Dua and Jablons, a CPA firm in the USA to conduct an independent valuation of the two subsidiaries, eCapital Solutions (Bermuda) Ltd. and Applisoft Inc. for arriving at a realistic valuation and carrying value for these investments. Based on this valuation report, the average valuation or carrying value of the investment in these two subsidiaries is USD 11.44 million or Rs. 479.37 million as on March 31, 2005. As a result of which management decided to make a further provision amounting to Rs. 169.26 million in the year 2004.

In the next financial year, the management intends to conduct an independent valuation of these subsidiaries for arriving at a carrying value for these investments. Since the subsidiaries of eCapital Solutions (Bermuda) Ltd., has made profit during the year and showed improvement in the working and looking at the future prospects and underlying potential, the Company is of the opinion that no further diminution in value of investments is currently required.

6. Earnings per share

Details of numerator and denominator used for the purposes of computing earnings per share are summarized below:

	2007	2006
Profit / (Loss) after tax and before extraordinary adjustments	**20,537,791**	(69,090,560)
Add: Extraordinary adjustment	**346,103,849**	—
Profit / (Loss) after tax and extraordinary adjustments	**366,641,640**	(69,090,560)

Schedules annexed to and forming part of accounts for the year ended March 31, 2007 *(Contd.)*
(Currency: Indian Rupee)

Schedule 18. Notes to Accounts *(Contd.)*

Number of shares outstanding at the year end	**24,960,986**	14,849,875
Weighted average number of shares used in computing earning per share (Basic)	**22,855,659**	14,849,875
Weighted average number of shares used in computing earning per share (Diluted)	**25,510,876**	14,975,901
Face value of Rs.	**10**	10
Earnings per share before extraordinary adjustment		
- Basic	**0.90**	(4.65)
- Diluted	**0.81**	(4.61)
Earnings per share after extraordinary adjustment		
- Basic	**16.04**	(4.65)
- Diluted	**14.37**	(4.61)

7. Deferred Taxes

In view of carried forward losses incurred by the Company, deferred tax assets on carry forward business losses and unabsorbed depreciation have not been created as there is no reasonable certainty that sufficient future taxable income will be available against such deferred tax assets.

8. Employee Stock Option Plans

I) The 1998 Employee stock option plan

The 1998 Employees Stock Option Plan ('the Plan') provides for the issue of options up to 5% of the paid up equity share capital at a minimum exercise price of Rs 265 per equity share, with a vesting period of 36 months from the date of grant of option. In 2002, the Company revised the Plan, whereby the options granted to the employees would vest in four equal installments from the date of the grant of the options.

Presented below is a summary of the Company's 1998 stock option plan activity during the years ended March 31, 2007:

	2007	**2006**
Options outstanding at the beginning of the year	4,000	6,375
Options cancelled during the year	—	2,375
Options outstanding at the end of the year	**4,000**	**4,000**

The Securities and Exchange Board of India ("SEBI") issued Employees Stock Option Scheme and Employees Stock Purchase Scheme Guidelines, 1999 ("the Guidelines"), which are effective for all stock option schemes established after 19 June 1999. In accordance with the Guidelines, the excess of the market price of the underlying equity shares as at the date of the grant of the options over the exercise price of the options, including upfront payments, if any, is to be recognised and amortised on a straight line basis over the vesting period.

The Company's 1998 Stock Option Plan was established prior to the Guidelines. Had the stock compensation cost for the plan been determined as per the Guidelines, the Company's reported net profit (P.Y. Loss) would have been higher (P.Y. lower) by Rs. 498,750 (2006: Rs. 498,750).

II) Employee stock option plan 2000

In June 2000 the shareholders of the Company approved the Employees Stock Option Plan 2000 ("the 2000 Plan"), which covers the employees of the Company including its subsidiaries and affiliates. The 2000 plan automatically expires in June 2010, unless terminated earlier. These options would vest equally over a period of four years, with a minimum vesting period of one year from the date of the grant of these options. The Company has reconstituted a compensation committee as prescribed by the SEBI guidelines in March

Schedules annexed to and forming part of accounts for the year ended March 31, 2007 ***(Contd.)***
(Currency: Indian Rupee)

Schedule 18. Notes to Accounts *(Contd.)*

2005, for the purpose of administering this Plan. All the options have been granted at 100% of fair value unless otherwise stated specifically.

During the year ended March 31, 2001, the Company issued 156,050 options including 34,250 options to employees of its subsidiaries, at an exercise price of Rs 380 per option and the prevalent market price of the shares, on the date of grant of these options was Rs 394.3 per share.

In the AGM held on 30 December 2003, the Company passed a resolution to grant Mr. Homiyar Panday, President - US Operations and Employee of the subsidiary company, Trigyn Technologies Inc., upto a maximum limit of 240,000 stock options convertible into equivalent amount of equity shares in one tranche at an exercise price of Rs.10/- per equity share. The prevalent market price of the shares on the date of grant of these options was Rs. 21. These shares, if opted for, are to vest after a lock in period of one year from the date of grant of the said stock options. The Company has accordingly provided the price differential in its books of accounts in terms of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.

Presented below is a summary of the Company's 2000 stock option plan activity during the years ended March 31, 2007:

	2007	**2006**
Options outstanding at the beginning of the year	1,028,750	404,150
Options granted during the year	—	626,000
Options lapsed during the year	50,000	1,400
Options outstanding at the end of the year	**9,78,750**	**1,028,750**

In accordance with the SEBI guidelines, the excess of the market price of the underlying equity share as at the date of grant of the option over the exercise price of the options on the date of grant has been recognized as employee compensation expenses and is being amortised on a straight line basis over the vesting period. Employee Stock Option Plans compensation income for the year ended March 31, 2007 aggregated Rs.Nil (2006: Rs 12,155).

9. Regulatory matters

The Company has applied to the concerned regulatory authorities in respect of certain non-compliances, which had been reported on the previous balance sheet date. Most of these non-compliances are a result of the persistent down trend in the software industry, particularly in the United States, which is the largest customer market for the Company. These matters are summarized below:

- Discount cost aggregating Rs 116.83 million representing allowances made by the Company, arising from negotiations and settlement with a certain customer outside India.The management is confident that the pending applications will be reviewed favourably by the concerned authorities without any significant penalty.

10. Related party transactions

Details of related parties including summary of transactions entered into by the Company during the year ended March 31, 2007 are summarized below:

Names of related parties

Subsidiary companies

Leading Edge Infotech Limited
Applisoft Inc.
ECapital Solutions (Bermuda) Limited
ECapital Solutions (Mauritius) Limited
Trigyn Technologies (India) Private Limited
Trigyn Technologies Europe GmbH

Key Management Personnel

Tushar Vaidya
(Resigned on August 31, 2006)
Ramakrishna Bhagwat

Schedules annexed to and forming part of accounts for the year ended March 31, 2007 ***(Contd.)***
(Currency: Indian Rupee)

Schedule 18. Notes to Accounts *(Contd.)*

Trigyn Technologies Inc
EVector (Cayman) Limited
EVector Inc.
EVector (India) Private Limited
EVector (UK) Limited
Trigyn Technologies Limited, UK

Particulars of related party transactions during the year ended March 31, 2007

Nature of transactions	Transactions with subsidiaries	
	2007	2006
Transactions during the year		
Services rendered by the Company	**81,703,419**	32,224,446
Expenses incurred by the Company	**11,955,394**	5,221,030
Expenses incurred on behalf of the Company	**326,122,581**	6,748,919
Loans given to subsidiaries	**-**	200,000
Repayment of loans from subsidiaries (net)	**7,302,000**	-
Provisions for doubtful debts/advances written back	**(4,747,554)**	(2,310,481)
Year-end balances		
Gross amounts receivables as loans/advances	**269,494,552**	238,803,771
Provisions for doubtful loans/advances	**213,690,720**	113,724,421
Gross amounts receivables as debts	**134,112,500**	218,438,274
Provisions for doubtful debts	**96,709,515**	96,709,515
Provisions for diminution in value of investments	**6,011,975,454**	6,011,975,454

For ESOP's granted to employees of subsidiaries refer note 7.

For counter guarantees given on behalf of subsidiary refer note 10.

Transactions with Directors

For remuneration paid to the Directors refer note 13 (i) to schedule 18 to the financial statements.

Rs. 1,500,000 received against preferential issues of equity shares.

11. Contingent liabilities

Counter guarantees on behalf of Leading Edge Infotech Limited, a wholly owned subsidiary Rs 1,000,000 (2006: Rs.1,000,000).

12. Based on the available information with the management, the Company does not owe any sum to a small scale industrial undertaking as defined in clause (j) to section 3 of the Industries (Development and Regulation) Act, 1951.

13. Supplementary statutory information

(i) Personnel costs include managerial remuneration in respect of the whole-time directors of the Company as follows:

	2007	2006
Salary	**1,800,000**	1,800,000
Contribution to provident and other funds	**230,549**	216,000
	2,030,549	2,016,000

Schedules annexed to and forming part of accounts for the year ended March 31, 2007 ***(Contd.)***
(Currency: Indian Rupee)

Schedule 18. Notes to Accounts *(Contd.)*

(ii)	**Other costs include:**		
	Auditor's remuneration:		
	-statutory audit fees	**1,011,180**	1,010,160
	-tax audit fees	**168,540**	168,360
	-other services	**56,120**	66,120
	-out of pocket expenses	**1,893**	24,537
		1,237,733	1,269,177
(iii)	**Expenditure in foreign currency:**		
	Personnel costs	**3,799,068**	3,915,135
	Travel and conveyance	**510,244**	1,158,045
	Legal and professional fees	**—**	215,853
	Others	**76,563**	102,102
		4,582,051	5,391,135
(iv)	**Earnings in foreign currency:**		
	Software development services	**81,703,428**	32,224,446
	Interest income	**1,755**	—
		81,705,103	32,224,446

14. The current assets, loans and advances are stated at the value, which in the opinion of the Board, are realisable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

15. The balances of certain amounts under loans and advances, debtors and creditors are subject to confirmation/ reconciliation and consequential adjustment, if any. The management does not, however, expect any significant impact on the financial statements on this account.

16. Payments of Rs. 10.95 lacs made to a non executive director for professional services rendered are subject to the approval of the shareholders in the ensuing general meeting.

17. Prior year comparatives

Prior year figures have been reclassified to conform to current year's presentation.

For Trigyn Technologies Limited

Sanjay A. Patkar **Chairman**	**R. Ganapathi** **Executive Director**
Milind Telawane **Finance Controller**	**Rajesh Shirambekar** **Company Secretary**

Place: Mumbai
Date: August 14, 2007

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS

Registration No.	39341	State Code	11
Balance Sheet Date	31.03.2007 (Date Month Year)		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement (including share application money)	109211

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	6926238	Total Assets	6926238
SOURCES OF FUNDS:		**APPLICATION OF FUNDS:**	
Paid-up Capital (including share application money)	258107	Net Fixed Assets	14134
Reserves & Surplus	6576517	Investments	479423
Secured Loans	-	Net Current Assets	94985
Unsecured Loans	-	Miscellaneous Expenditure	-
		Accumulated loss	6246081

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (including other income)	96066	Total Expenditure	75191
+ - Profit Before Tax	20875	+ - Profit for the year	366642
Earning per Share in Rs.	16.04	Dividend %	-

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	8524.9
PRODUCT DESCRIPTION	Computer Software
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable

DIRECTORS' REPORT

The Directors are pleased to present their report along with the audited statement of accounts of Trigyn Technologies (India) Private Limited for the year ended March 31, 2007.

FINANCIAL RESULTS

Financial Results for the year ended March 31, 2007 are given below:

(Rs. In lakhs)

	Year ended March 31, 2007	Year ended March 31, 2006
Income		
From Operations	-	-
Other Income	111.86	161.59
Provision no longer required, written back	-	56.58
Total Revenue	111.86	218.17
Expenditure		
Depreciation	41.21	41.40
Operating and Other Expenses	58.46	126.91
Total Expenditure	99.67	168.31
Profit / (Loss) before Tax	12.19	49.86
Fringe benefit tax	0.02	0.08
Provision for Taxation (for earlier years)	0.02	-
Profit / (Loss) after Tax	12.15	49.78
Loss brought forward	3243.55	3293.33
Loss carried forward	3231.40	3243.55

REVIEW OF OPERATIONS

During the year under review the company has earned an income of Rs.111.86 lakhs as against Rs.218.17 lakhs for the previous year. Deducting there from the expenditure incurred and providing for taxes and depreciation, the Company posted a net profit of Rs.12.15 lakhs as against a profit of Rs.49.78 lakhs for the previous year. After adjusting the profit against the bought forward losses, the accumulated loss of Rs.3231.40 lakhs has been carried to the balancesheet.

In view of inadequate profit, your Directors have not recommended any dividend.

DIRECTORS

During the year, Mr. Tushar Vaidya, Mr. Anil Kale, Mr. Nitin Palekar and Mr. Ramkrishna Bhagwat resigned from the directorship of the Company. The Board places on record it's appreciation for the contributions made by them during their tenure.

Mr. Richard Raja was appointed as Additional Director w.e.f. November 8, 2006. Mr. C.V. Rao and Dr. C. Rao Kasarabada were appointed as Additional Directors w.e.f. January 29, 2007 and Mr. R. Ganapathi was appointed as Additional Director w.e.f. April 5, 2007, respectively. Their appointment requires the approval of the members at the ensuing Annual General meeting.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sanjay A. Patkar retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act 1956, the directors confirm that :

i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii) Appropriate accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31,2007 and of the profit & loss account for the year ended March 31,2007.

iii) Proper and sufficient care has been taken 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 detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis.

AUDITORS REMARKS

The Auditors remarks in the Auditor's Report are self explanatory. The management is taking appropriate measures to rectify the same.

EMPLOYEES

The Company has no employee whose Information is required to be given under the provisions of section 217 (2A) of the Companies Act, 1956 and the rules framed there under.

AUDITORS:

The present Auditors, M/s. RSM & Co., Chartered Accountants who retires at the ensuing Annual General Meeting, have conveyed their inability to continue as the Statutory Auditors consequent to their merger with M/s Price Waterhouse, Chartered Accountants. M/s Price Waterhouse have confirmed their willingness and eligibility for their appointment as Statutory Auditors in a casual vacancy caused by the resignation of M/s. RSM & Co. subject to approval of members at the ensuing Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities that are being carried on by your Company, rule 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption, respectively are not applicable to your company. Your company is, however, making all efforts for reducing energy consumption at office facilities by installing computer systems designed for low power consumption. There was no foreign exchange outgo and earnings during the year.

ACKNOWLEDGEMENTS

The Board of Directors places on record their appreciation for the support provided by the Company's Bankers, Customers, Vendors Government Authorities as well as all the Employees towards the Company.

On behalf of the Board of Directors

Sanjay A. Patkar
Director

R. Ganapathi
Director

Place Mumbai
Date August 14, 2007

AUDITORS' REPORT

To the members of Trigyn Technologies (India) Private Limited

1. We have audited the attached Balance Sheet of **Trigyn Technologies (India) Private Limited** ('the Company') as at March 31, 2007, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date (together referred to as 'financial statements'). 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, ('the said Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is invited to Note 2.1 (c) to schedule 13 in the financial statements. These financial statements have been prepared assuming the Company will continue as going concern despite ceasation of software operations and negative networth. In our opinion, these factors, along with other matters set forth in the above note, raise substantial doubt that the company will be able to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that might results should the company be unable to continue as a going concern.*
5. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e. on the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2007 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   f. *except for the adjustments, if any, required to the carrying amount of assets and the classification of liabilities that might result should the Company be unable to continue as a going concern as stated in paragraph 4 above*, in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and profit and loss account give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
      i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;
      ii. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and,
      iii. in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **RSM & Co.**
Chartered Accountants

Place: Mumbai
Date: August 14, 2007

Vilas Y. Rane
Partner (F-33220)

Annexure to Auditors' Report to Trigyn Technologies (India) Private Limited

(Referred to in our Report of even date)

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

(b) The Company has not carried out a physical verification of fixed assets during the year. Discrepancies, if any, arising out of physical verification as compared to book records will be dealt in upon verification of fixed assets.

(c) The Company has not disposed off a substantial part of fixed assets during the year, and accordingly, going concern is not affected.

(ii) The Company is in the business of providing software services, hence provisions of clause (ii) (a), (b) and (c) of the said Order are not applicable.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of the paragraph 4 (iii) (b), (c), (d), (f) and (g) of the said Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system. We are informed that the nature of Company's business does not involve purchase of inventory and sale of goods.

(v) (a) According to the information and explanations given to us, we are of the opinion that there are no particulars of contracts or arrangements have taken place that need to be entered into the register maintained under section 301 of the Act.

(b) As there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Act, the provisions of paragraph 4(v)(b) of the said Order not are applicable during the year.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of section 58A, section 58AA and any other relevant provisions of the Act and the rules framed there under. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vii) The Company does not have an internal audit system.

(viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act for any of the activities of the Company.

(ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, custom duty and any other statutory dues with the appropriate authorities and there were no such outstanding dues as at March 31, 2007 for a period exceeding six months from the date they became payable. As explained to us employees' state insurance, the investors education and protection fund, wealth tax, excise duty, service tax and cess are presently not applicable to the Company.

(b) According to the information and explanations given to us, there are no disputed dues of income tax and custom duty remaining unpaid as at the year end except for the following:

Name of the statute	Nature of Dues	Amount(Rs.)	Period	Forum
Delhi Sales Tax Act, 1975	Sales Tax Liability	1,179,273	2000-2001	The Deputy Commissioner of Sales Tax-IV

(x) In our opinion and according to the information and explanations given to us, the Company's accumulated losses exceed 50% of its net worth at the end of the financial year under reporting; and the Company has not incurred cash losses in the financial year under report and in the immediately preceding financial year.

(xi) As the Company has not borrowed any loans from financial institutions, banks and debenture holders, the provisions of paragraph 4(xi) of the said Order are not applicable.

(xii) As the Company has not granted any loans or advances against security, the provisions of paragraph 4 (xii) of the said Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund, or a nidhi, mutual benefit funds/societies, accordingly, the provisions of paragraph 4 (xiii) of the said Order are not applicable.

(xiv) On the basis of our examination and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) According to the information and explanations given to us, the Company has not taken any term loans.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used the fund borrowed on short term basis during the year for long term investments.

(xviii) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

(xix) The Company has not issued debentures or made any public issue during the year and accordingly, the provisions of paragraph 4 (xix) and (xx) of the said Order, are not applicable.

(xx) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

For **RSM & Co.**
Chartered Accountants

Place: Mumbai
Date: August 14, 2007

Vilas Y. Rane
Partner (F-33220)

Balance Sheet at 31 March 2007

	Schedule	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	**147,104,400**	147,104,400
Loan funds			
Unsecured loans	2	**210,791,330**	212,202,803
		357,895,730	359,307,203
APPLICATION OF FUNDS			
Fixed assets	3		
Gross block		**91,635,958**	91,635,958
Less: Accumulated depreciation		**81,781,058**	77,659,588
Net block		**9,854,900**	13,976,370
Investments	4	**-**	-
Current assets, loans and advances			
Sundry debtors	5	**17,904,862**	17,921,933
Cash and bank balances	6	**3,306,115**	6,220,418
Loans and advances	7	**6,888,200**	11,092,697
		28,099,177	35,235,048
Less: Current liabilities and provisions			
Current liabilities	8	**3,188,584**	14,055,673
Provisions	9	**10,033**	203,989
		3,198,617	14,259,662
Net current assets		**24,900,560**	20,975,386
Profit and loss account		**323,140,271**	324,355,447
		357,895,730	359,307,203
Notes to Accounts	13		

As per our report of even date attached

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

For Trigyn Technologies (India) Private Limited

Sanjay A. Patkar
Director

R. Ganapathi
Director

Place: Mumbai
Date: August 14, 2007

Profit and Loss Account for the year ended March 31, 2007

	Schedule	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Income			
Lease Rental Income		**7,148,312**	15,724,272
Other income	10	**4,037,970**	434,096
Provision no longer required, written back		**-**	5,658,399
		11,186,282	21,816,767
Expenditure			
Personnel costs	11	**228,138**	246,422
Operating and administration expenses	12	**5,599,416**	12,425,051
Depreciation	3	**4,121,470**	4,138,787
Finance charges		**18,423**	20,098
		9,967,447	16,830,358
Profit for the year before tax		**1,218,835**	4,986,409
Less: Provision for taxation			
- Fringe benefit tax		**2,259**	7,779
Less: Tax adjustment for earlier year		**1,400**	-
Net profit for the year after tax		**1,215,176**	4,978,630
Add : Loss brought forward from the previous year		**324,355,447**	329,334,077
Balance carried forward		**323,140,271**	324,355,447
Basic and diluted earnings per share		**0.83**	3.38
Number of shares (face value of Rs. 100 each)		**1,471,044**	1,471,044
Notes to Accounts	13		

As per our report of even date attached

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

For Trigyn Technologies (India) Private Limited

Sanjay A. Patkar
Director

R. Ganapathi
Director

Place: Mumbai
Date: August 14, 2007

Cash Flow Statement for the year ended on March 31, 2007

	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Cash flow from operating activities		
Profit for the year before tax	**1,218,835**	4,986,409
Adjustments for:		
Interest income	**(340,427)**	(414,652)
Provision for doubtful debts	**2,809,374**	(5,658,399)
Depreciation and amortization	**4,121,470**	4,138,787
Unrealised foreign exchange (gain) / loss	**(3,655,629)**	2,283,369
Operating profit before working capital changes	**4,153,623**	5,335,514
Changes in:		
(Increase)/Decrease in Sundry Debtors	**863,326**	4,295,787
(Increase)/Decrease in Loans and advances	**4,433,026**	(755,804)
Increase/(Decrease) in Current Liabilities and Provisions	**(10,867,089)**	(1,015,008)
Cash generated/(used) in operations	**(1,417,114)**	7,860,489
Income taxes paid, net	**(374,369)**	(1,547,144)
Net cash generated/(used) in operations (A)	**(1,791,483)**	6,313,345
Cash flow from investing activities		
Interest Received	**288,653**	401,321
Net cash generated from investing activities (B)	**288,653**	401,321
Cash flow from financing activities		
Repayment of loans	**(1,411,473)**	(9,342,357)
Net cash flow used in financing activities (C)	**(1,411,473)**	(9,342,357)
Decrease in cash and cash equivalents (A+B +C)	**(2,914,303)**	(2,627,691)
Cash and cash equivalents at the beginning of year	**6,220,418**	8,848,109
Cash and cash equivalents at the end of year*	**3,306,115**	6,220,418

*Includes unrealised exchange loss of Rs.143 (2006: Rs.101)

Note:

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting standard-3 'Cash flow statements' issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents consist of cash and cheques on hand Rs.3,329 (previous year Rs.80,338), bank balances in current account Rs.400,276 (previous year Rs. 258,560) and balance in fixed deposits with bank Rs.2,902,510 (previous year Rs.5,881,520)

As per our report of even date attached

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

For Trigyn Technologies (India) Private Limited

Sanjay A. Patkar
Director

R. Ganapathi
Director

Place: Mumbai
Date: August 14, 2007

Schedules to the financial statements for year ended March 31, 2007

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 1. Share capital		
Authorised		
1,500,000 (2005: 1,500,000) equity shares of Rs 100 each.	**150,000,000**	150,000,000
	150,000,000	150,000,000
Issued, subscribed and paid-up		
1,471,044 (2005: 1,471,044) equity shares of Rs 100 each fully paid up.	**147,104,400**	147,104,400

The entire shareholding of 1,471,044 shares are held by eCapital Solution (Mauritius) Limited, the holding company and its nominees.

Schedule 2. Unsecured loan		
(Short term interest free loan)		
Loan from Trigyn Technologies Limited, the ultimate holding company	**210,791,330**	212,202,803
	210,791,330	212,202,803

Schedule 3. Fixed assets (At Cost)

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As on 1-Apr-06	Additions During the year	Deletion during the year	As on 31-Mar-07	Upto 1-Apr-06	For the year	Deletion during the year	Upto 31-Mar-07	As on 31-Mar-07	As on 31-Mar-06
Leasehold improvements	39,120,061	-	-	39,120,061	25,170,487	4,098,290	-	29,268,777	9,851,284	13,949,574
Computers & peripherals	34,746,431	-	-	34,746,431	34,746,431	-	-	34,746,431	-	-
Furniture and fixtures	2,219,221	-	-	2,219,221	2,212,137	3,468	-	2,215,605	3,616	7,084
Office Equipment	5,632,638	-	-	5,632,638	5,612,926	19,712	-	5,632,638	-	19,712
Software	9,917,607	-	-	9,917,607	9,917,607	-	-	9,917,607	-	-
	91,635,958	**-**	**-**	**91,635,958**	**77,659,588**	**4,121,470**	**-**	**81,781,058**	**9,854,900**	**13,976,370**
Previous year	91,635,958	-	-	91,635,958	73,520,801	4,138,787	-	77,659,588	13,976,370	

Schedule 4. Investments (at cost, unquoted)		
100,000 shares of $0.01 each of Empowertel Systems, each fully paid up. (2006: 100,000)	**485,600**	485,600
Less: Provision for decline other than temporary in the value of investment	**485,600**	485,600
	-	-

The company was allotted these shares as part of the consideration for the services provided in the year 2001.

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 5. Sundry debtors		
(Unsecured, considered good unless otherwise stated)		
Debts over six months		
- considered good*	**17,904,862**	17,921,933
- considered doubtful**	**124,313,888**	121,504,514
	142,218,750	139,426,447
Less: Provision for doubtful debts	**124,313,888**	121,504,514
	17,904,862	17,921,933

* Includes due from Trigyn Technologies Europe Rs. 5.79 million (2006: Rs.5.47 million) and Trigyn Technologies Inc. Rs.12.12 million (2006: Rs.12.45 million), which are companies under the same management as defined under section 370(1B) of the Companies Act, 1956.

** Includes due from Trigyn UK Rs. 38.30 million (2006: Rs. 38.30 million), Trigyn Technologies Inc. Rs.22.22 million (2006: Rs.22.22 million), eVector (India) limited Rs.6.70 (2006: Rs.6.70 million) and Trigyn Technologies Europe Rs.52.06 million (2006: Rs.49.26 million), which are companies under the same management as defined under section 370(1B) of the Companies Act, 1956.

Schedule 6. Cash and bank balances		
Cash on hand	**629**	338
Cheques on hand	**2,700**	80,000
Balances with scheduled banks		
- on current account	**400,276**	258,560
- on deposit account	**2,902,510**	5,881,520
	3,306,115	6,220,418
Maximum balance outstanding during the year in respect of non-scheduled bank (Barclays Bank)	**-**	4,709,615
Schedule 7. Loans and advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	**6,037,811**	3,970,836
Security Deposits	**608,530**	7,108,530
Interest accured on fixed deposits	**65,105**	13,331
Advance tax [net of provision for tax Rs.2,313,938 (2006: Rs.Nil)]	**176,754**	-
	6,888,200	11,092,697
(Unsecured, considered good)		
Loans to subsidiaries	**2,896,060**	2,896,060
Less: Provision for doubtful loans and advances	**2,896,060**	2,896,060
	-	-
	6,888,200	11,092,697

Loans to subsidiaries comprise amounts due from eCapital Solutions (Bermuda) Limited Rs. 2.74 million (2006: Rs. 2.74 million), eCapital Solutions (Mauritius) Limited Rs. 0.04 million (2006: Rs. 0.04 million) and Trigyn Technologies Limited UK Rs. 0.12 million (2006: Rs. 0.12 million),which are companies under the same management as defined under section 370(1B) of the Companies Act, 1956. The above amounts also represent the maximum amounts due at any time during the year.

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 8. Current liabilities		
Sundry creditors	**229,762**	2,711,858
Security Deposits	**2,920,590**	10,823,488
Other liabilities	**38,232**	520,327
	3,188,584	14,055,673
Schedule 9. Provisions		
Provision for taxation [(net of advance tax RS. Nil(2006:Rs.2,116,323)]	**-**	193,956
Provision for leave encashment	**10,033**	10,033
	10,033	203,989
Schedule 10. Other income		
Interest on deposits with banks	**340,427**	388,169
(Tax Deducted at Source Rs. 67,734) (2006: Rs. 75,548)		
Interest received on income tax refund	**-**	26,483
Foreign Exchange gain (net)	**3,655,772**	-
Miscellaneous income	**41,771**	19,444
	4,037,970	434,096
Schedule 11. Personnel costs		
Salaries and bonus	**192,636**	192,552
Contribution to provident and other funds	**17,292**	17,292
Gratuity and leave encashment costs	**6,202**	7,277
Staff welfare	**12,008**	29,301
	228,138	246,422
Schedule 12. Operating and Administration Expenses		
Travel and conveyance costs	**-**	87,311
Legal and professional charges	**176,340**	512,993
Rent, rates and taxes	**1,922,291**	8,379,167
Power and fuel	**20,248**	52,942
Communication expenses	**21,762**	89,920
Insurance	**99,584**	244,152
Repairs and maintenance		
– Plant and machinery	**2,400**	243,196
– Others	**146,756**	-
Foreign Exchange Loss (net)	**-**	2,404,479
Provision for Doubtful Debts	**2,809,374**	-
Miscellaneous Expenses	**400,661**	410,891
	5,599,416	12,425,051

Schedules annexed to and forming part of accounts for year ended March 31, 2007

Schedule 13. Notes to Accounts

1. Background

Trigyn Technologies (India) Private Ltd ("TTIPL or the Company") was originally incorporated as Fabulous Trading and Investment Private Limited. On January 14, 1999, the Company changed its name to eCapital Solutions (India) Private Limited. Subsequently, on August 3, 2000, the Company's name was changed to Trigyn Technologies (India) Private Ltd. The Company was primarily engaged in carrying on the business of executing software development services, projects and professional services and is part of the eCapital Solutions and Trigyn Technologies Worldwide Group, which has operations in the United States of America, Germany and India.

On February 26, 2001, the Company allotted 1,471,024 equity shares of Rs 100 each at par to eCapital Solutions (Mauritius) Limited, a 100% subsidiary of eCapital Solutions (Bermuda) Limited, which in turn is a subsidiary of Trigyn Technologies Limited, a Public Company.

The Company was engaged in the business of providing information technology consultancy and software development services, in addition to developing and servicing its own product for customers in the convergent marketplace.

In the year 2004 - 2005, the Company had closed down its branch office at United Kingdom whereas the operations at the Bangalore Software Development Centre have been suspended. The major source of income in the current and the following periods would be the lease rent income on the assets leased at Bangalore.

2. Principal accounting policies

2.1 Basis of preparation of financial statements

a. The financial statements are prepared under the historical cost convention on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India ("ICAI").

b. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

c. These financial statements have been prepared assuming the Company will continue as a going concern despite cessation of software operations and negative net worth. Management believes that the Company will be able to finance its operations and meet its commitments and also commitments given by the ultimate holding company to support its subsidiaries and from internal cash generation in the foreseeable future, given the various options it is perusing in this regard. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the company be unable to continue as a going concern.

2.2 Fixed assets and depreciation

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation. Direct costs related to acquisition/ installations are capitalized until assets are ready for use. These costs include the borrowing costs related to the acquisition or construction of qualifying assets for the period up to the completion of construction or installation of such assets and preoperative expenses incurred during the construction period. Capital work-in-progress includes advances paid to acquire fixed assets and the cost of assets not put to use before the balance sheet date.

Depreciation is provided on straight line basis at higher of the rates based on useful lifes of the fixed assets as estimated by the management and those stipulated in Schedule XIV to the Companies Act, 1956.

The useful lives of fixed assets as estimated by the management are:

Asset	Useful life (in years)
Leasehold improvements / Assets taken on lease	Over the term of the lease or the estimated useful life of the asset which ever is shorter
Office equipment	3-4 years
Computers and peripherals	3 years
Furniture and fixtures	4 years

Schedules annexed to and forming part of accounts for year ended March 31, 2007 *(Contd.)*

2.3 Retirement benefits

Contributions payable to the recognized provident fund, which is a defined contribution scheme, are made monthly at predetermined rates to the appropriate authorities and charged to the profit and loss account in the year in which contributions are made.

Provision for gratuity is as per the actuarial valuation provided by LIC and provision for leave encashment is determined by the Management based on the leave balances as on balance sheet date and provided on the basis of an actual valuation at the balance sheet date.

2.4 Revenue recognition

Lease Rentals are accounted for on an accrual basis.

2.5 Income tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

The Company has not made any provision for taxation in the financial statements, in view of brought forward tax losses, and in view of the huge accumulated losses, the Company has informed the Income Tax Department that it has exercised its option to withdraw from the benefits under Section 10 A of the Income Tax Act, 1956.

2.6 Investments

Long-term investments are carried at cost, and provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are carried at lower of cost and fair value.

2.7 Leases

Assets given under operating lease are reflected in the financial statements under fixed assets. Further, lease income from such operating lease arrangements have been recognised in the statement of profit and loss on a straight line basis over the lease term.

2.8 Foreign currency transactions

Indian operations

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Foreign currency monetary assets and liabilities at the date of the balance sheet are translated at the rate of exchange prevailing on that date.

The Company recognizes all transaction / translation gains and losses in the profit and loss account except those relating to liabilities incurred for the acquisition of fixed assets, which are adjusted to the carrying cost of the respective assets.

2.9 Earnings per share

The basic earnings per share is computed by dividing the profit/ loss after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

2.10 Segment information

In accordance with Accounting Standard 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India, if the Company's single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, the Company has chosen to present segment information only in its consolidated financial statements.

2.11 Impairment of assets

The Company reviews the carrying values of tangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

Schedules annexed to and forming part of accounts for year ended March 31, 2007 *(Contd.)*

(Currency: Indian Rupee)

2.12 Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet.

3. Contingent Liabilites

I. During the year 2002, one of the client eTender.com Limited filed an injunction in the High Court of Delhi against the Company in relation to the software developed by the Company for them. The Company has filed its responses and submitted adequate documentary proof to the honorable High Court, refuting the claims made by the client. Given the strong documentary evidence in Company's favour, the management is of the opinion that the claims of the client are not tenable and hence the Company is of the view that there would not arise any contingent liability on this account. The Company has spent efforts many times more than the revenues realized from the client and has adequate documentary evidence to substantiate its claims.

II. The sales tax demand of Rs.1,310,303 was raised against the order passed under Section 23(3) of Delhi Sales Tax Act for the year 2000-01 against which the Company has gone into appeal. The Dy. Commissioner (Appeal – IV) has granted stay against the said order subject to deposit of 10% of the disputed amount i.e. Rs.1,31,030/- under the Local Sales Tax Act. The Company has deposited required 10% deposit and matter is still pending.

III. The Company's software development centre in India is in Software Technology Park ('STP') under the STP guidelines issued by the Government of India. It is exempted from customs and central excise duties and levies on imported and indigenous capital goods. The Company has executed a bond to pay customs duty, central excise duty, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores and spares consumed duty free, in the event that certain terms and conditions are not fulfilled. Bank guarantees provided to the Customs Authorities in this regard aggregate to Rs 2,500,000 as at March 31, 2007 (March 31, 2006: Rs. 2,500,000).

4. Earnings per share

Details of numerator and denominator used for the purposes of computing earnings per share are summarized below:

	2007	2006
Profit / (loss) for the year	**1,215,176**	4,978,630
Weighted average number of shares used in computing earning per share	**1,471,044**	1,471,044
Face value of Rs.100 each		
Basic and diluted earnings per shares	**0.83**	3.38

5. Deferred Taxes

In view of losses incurred by the Company, deferred tax assets on carry forward business losses and unabsorbed depreciation have not been created as there is no reasonable certainty that sufficient future taxable income will be available against such deferred tax assets.

6. Leases

The Company has entered into operating lease arrangements, for leasing office premises in India.

Fixed assets include leasehold improvement, furniture & fixtures and office equipments leased in relation to the above sub-leased premises:

	2007	2006
Gross block	**46,971,920**	46,971,920
Less: Accumulated depreciation	**37,117,020**	32,995,550
Net Block	**98,54,900**	13,976,370

The entire assets above are part of the sub-lease to a third party.

The future minimum sublease payment receivables in respect of above non-cancellable operating lease as at March 31, 2007 are summarized below:

	2007	2006
Future minimum lease rentals payments payable:		
- not later than one year	**-**	9,172,492
- Later than one year but not later than five years	**-**	14,367,411
	-	23,809,903

Schedules annexed to and forming part of accounts for year ended March 31, 2007 *(Contd.)*

The future minimum lease payments in respect of such non-cancellable operating leases as at March 31, 2007 are summarized below:

	2007	2006
Lease rental paid during the year	**1,922,291**	8,379,167
Future minimum lease rentals payments payable:		
- not later than one year	**-**	8,327,700
- Later than one year but not later than five years	**-**	23,317,554
	-	31,645,254

7. Related party transactions

Details of related parties including summary of transactions entered into by the Company during the year ended March 31, 2007 are summarized below:

Holding company

ECapital Solutions (Mauritius) Limited

Ultimate Holding company

Trigyn Technologies Limited

Key Management Personnel

Tushar Vaidya

(Resigned on 08.11.2006)

Ramakrishna Bhagwat

Fellow associate companies

Applisoft Inc., ECapital Solutions (Bermuda) Limited, Leading Edge Infotech Limited, Trigyn Technologies Europe GmbH, Trigyn Technologies Inc, eVector (Cayman) Limited, EVector Inc., eVector (India) Private Limited, eVector (UK) Limited, Trigyn Technologies Limited, UK

Particulars of related party transactions during the year ended March 31, 2007

Nature of transactions	Holding & ultimate holding company	Fellow associates companies	Key management Personnel
Expenses incurred by the Company	**14,433** (-)	**-** (-)	**-** (-)
Expenses incurred on behalf of the Company	**37,960** (69,737)	**69,737** (-)	**-** (-)
Loans repaid by the company (net)	**1,435,000** (9,321,877)	**(-)** 90,217	**-** (-)
Provisions for doubtful debts written off	**-** (-)	**2,809,373** (-)	**-** (-)
Provisions for doubtful debts written back	**-** (-)	**(-)** (2,608,343)	**-** (-)
Professional service received	**-** (-)	**-** (-)	**25,000** (-)
Sitting fees paid	**-** (-)	**-** (-)	**40,000** (-)
Year-end balances			
Gross amount due as loans	**210,791,330** (212,202,803)	**-** (-)	**-** (-)
Gross amounts receivable as loans	**36,980** (36,980)	**2,859,080** (2,859,080)	**-** (-)
Gross amounts receivable as debts	**-** (-)	**137,190,663** (134,398,361)	**-** (-)
Provision for doubtful debts	**-** -	**119,285,801** (116,476,428)	**-** (-)
Provision for doubtful loans	**36,980** (36,980)	**2,859,080** (2,859,080)	**-** (-)

Previous years figures are given in the bracket

Schedules annexed to and forming part of accounts for year ended March 31, 2007 *(Contd.)*

8. Supplementary statutory information

	2007	2006
(i) Legal and professional fees include auditors' remuneration:		
- statutory audit fees	**56,170**	56,120
- tax audit fees	**56,170**	56,120
- other services	**-**	-
	112,340	112,240

	2007	2006
(ii) Expenditure in foreign currency:		
Legal and professional fees	**-**	137,058
Others	**-**	4,887
	-	141,945

9. Based on the available information with the management, the Company does not owe any sum to a small scale industrial undertaking as defined in clause (j) to section 3 of the Industries (Development and Regulation) Act, 1951.

10. The current assets, loans and advances are stated at the value, which in the opinion of the Board, are realisable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

11. The balances of certain amounts under loans and advances, debtors and creditors are subject to confirmation/ reconciliation and consequential adjustment, if any. The management does not, however, expect any significant impact on the financial statements on this account.

12. In terms of the provisions of section 383-A of the Companies Act 1956 ('the Act'), the Company is required to have a whole time company secretary. The Company is in process of complying with the provisions of the aforesaid section.

13. Prior year comparatives

The previous years figures have been reclassified / regrouped wherever necessary, to conform to current year's presentation.

For Trigyn Technologies (India) Private Limited

Place: Mumbai
Date: August 14, 2007

Sanjay A. Patkar
Director

R. Ganapathi
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS:

Registration No.	100198	State Code	11
Balance Sheet Date	31-03-2007 (Date Month Year)		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS):

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement (including share application money)	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS):

Total Liabilities	361094	Total Assets	361094
SOURCES OF FUNDS:		**APPLICATION OF FUNDS:**	
Paid-up Capital	147104	Net Fixed Assets	9855
Reserves & Surplus	-	Investments	-
Secured Loans	-	Net Current Assets	24901
Unsecured Loans	210791	Miscellaneous Expenditure	-
		Accumulated loss	323140

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS):

Turnover (including other income)	11186	Total Expenditure	9967
+ - Profit Before Tax and exceptional items	1219	+ - Profit After Tax	1215
Earning per Share in Rs.	0.83	Dividend %	-

(Please tick appropriate box + for Profit, for Loss)

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS):

ITEM CODE NO. (ITC CODE)	8524.9
PRODUCT DESCRIPTION	Computer Software
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable

DIRECTORS' REPORT

The Directors are pleased to present their report along with the audited statement of accounts of Leading Edge Infotech Limited for the year ended March 31, 2007.

FINANCIAL RESULTS

Financial Results for the period ended March 31, 2007 are given below:

(Rs. In lakhs)

	Year ended March 31, 2007	Year ended March 31, 2006
Income		
From Operations	**91.74**	**54.57**
Other Income	**0.88**	**0.26**
Total Revenue	**92.62**	**54.83**
Expenditure		
Operating and Other Expenses	**42.96**	**35.23**
Total Expenditure	**42.96**	**35.23**
Profit / (Loss) before Tax	**49.66**	**19.60**
Provision for Taxation		
Current Tax	**4.79**	**1.06**
Fringe benefit tax	**0.08**	**0.08**
Profit / (Loss) after Tax	**44.79**	**18.46**
Loss brought forward	**269.97**	**288.43**
Loss carried forward	**225.18**	**269.97**

REVIEW OF OPERATIONS

During the year under review the company has achieved a turnover of Rs.91.74 lakhs as against Rs.54.83 lakhs for the previous year. Deducting therefrom, the expenditure incurred and providing Rs.4.87 lakhs for taxation, the operations of the Company resulted into a net profit of Rs.44.79 lakhs. After adjusting the net profit against the brought forward losses, the accumulated loss of Rs.2.25 crores has been carried to the balancesheet.

DIRECTORS

During the year, Mr. Tushar Vaidya and Mr. Ramkrishna Bhagwat resigned from the directorship of the Company. The Board places on record it's appreciation for the contributions made by them during their tenure.

Mr. Richard Raja was appointed as Additional Director w.e.f. November 8, 2006. Mr. C.V. Rao and Dr. C. Rao Kasarabada were appointed as Additional Directors w.e.f. January 29, 2007 and Mr. R. Ganapathi was appointed as Additional Director w.e.f. April 5, 2007, respectively. Their appointment requires the approval of the members at the ensuing Annual General meeting.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sanjay Patkar retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act 1956, the directors confirm that :

i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii) Appropriate accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31,2007 and of the profit & loss account for the year ended March 31, 2007.

iii) Proper and sufficient care has been taken 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 detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis.

EMPLOYEES

The Company has no employee whose Information is required to be given under the provisions of section 217 (2A) of the Companies Act, 1956 and the rules framed there under.

SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate received from a practicing company secretary for the financial year ended 31st March, 2007, in terms of section 383A of the Companies Act, 1956 is annexed.

AUDITORS

The present Auditors, M/s. RSM & Co., Chartered Accountants who retires at the ensuing Annual General Meeting, have conveyed their inability to continue as the Statutory Auditors consequent to their merger with M/s Price Waterhouse (PW), Chartered Accountants. PW have confirmed their willingness and eligibility for their appointment as Statutory Auditors in a casual vacancy caused by the resignation of M/s. RSM & Co. subject to approval of members at the ensuing Annual General Meeting.

AUDITORS REMARKS

The Auditors remarks in the Auditor's Report are self explanatory. The management is taking appropriate measures to rectify the same.

CONSERVATION OF ENERGY , TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities that are being carried on by your Company, rule 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption, respectively are not applicable to your company. Your company is, however, making all efforts for reducing energy consumption at office facilities by installing computer systems designed for low power consumption. There was no foreign exchange outgo and earnings during the year.

ACKNOWLEDGEMENTS

The Board of Directors place on record their appreciation for the support provided by the Company's Bankers, Customers, Vendors as well as all the Employees towards the Co mpany.

On behalf of the Board of Directors

Sanjay A. Patkar
Director

R. Ganapathi
Director

Place Mumbai

Date August 14, 2007

AUDITORS' REPORT

TO THE MEMBERS OF LEADING EDGE INFOTECH LIMITED

1. We have audited the attached Balance Sheet of **Leading Edge Infotech Limited** ('the Company') as at March 31, 2007, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date (together referred to as 'financial statements'). 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, ('the said Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ('the Act'), and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is invited to Note 2.1 (c) to schedule 11 in the financial statements. These financial statements have been prepared assuming the Company will continue as going concern despite of negative networth. In our opinion, these factors, along with other matters set forth in the above note, raise substantial doubt that the Company will be able to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that might results should the Company be unable to continue as a going concern.*
5. Further to our comments in the Annexure referred to above, 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 purposes 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, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e. on the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2007 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   f. *except for the adjustments, if any, required to the carrying amount of assets and the classification of liabilities that might result should the Company be unable to continue as a going concern as stated in paragraph 4 above,* in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and profit and loss account give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
      i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;
      ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and,
      iii. in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **RSM & Co.**
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

Place: Mumbai

Date: August 14, 2007

Annexure to Auditors' Report to Leading Edge Infotech Limited

(Referred to in our Report of even date)

(i) The Company does not have any fixed assets during the year. Accordingly, the provisions of paragraph 4(i)(a) to (c) of the said Order are not applicable

(ii) The Company is in the business of providing software services, hence provisions of paragraph 4 (ii) (a), (b) and (c) of the said Order are not applicable.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of the paragraph 4(iii)(b), (c), (d), (f) and (g) of the said Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system. We are informed that the nature of Company's business does not involve purchase of inventory and sale of goods.

(v) (a) According to the information and explanations given to us, we are of the opinion that there are no particulars of contracts or arrangements have taken place that need to be entered into the register maintained under section 301 of the Act.

(b) As there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Act, the provisions of paragraph 4(v)(b) of the said Order are not applicable during the year.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of section 58A, section 58AA and any other relevant provisions of the Act and the rules framed there under. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vii) In our opinion, the Company does not have a paid-up capital and reserves exceeding Rs. 50 lacs as at the commencement of the financial year concerned nor have an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year concerned. Accordingly, the provisions of paragraph 4 (vii) of the said Order are not applicable to the Company.

(viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act for any of the activities of the Company.

(ix) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax and any other statutory dues with the appropriate authorities and there were no such outstanding dues as at March 31, 2007 for a period exceeding six months from the date they became payable except value added tax amounting to Rs.33,752. As explained to us, the investors education and protection fund, wealth tax, custom duty, excise duty and cess are presently not applicable to the Company.

(b) According to the information and explanations given to us, there are no disputed dues of income tax, sales tax, and service tax remaining unpaid as at the year end.

(x) In our opinion and according to the information and explanations given to us, the Company's accumulated losses exceed 50% of its net worth at the end of the financial year under reporting; and the Company has not incurred cash losses in the financial year under report and in the immediately preceding financial year.

(xi) As the Company has not borrowed any loans from financial institutions, banks and debenture holders, the provisions of paragraph 4(xi) of the said Order are not applicable.

(xii) As the Company has not granted any loans or advances against security, the provisions of paragraph 4 (xii) of the said Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund, or a nidhi, mutual benefit funds/societies, accordingly, the provisions of paragraph 4 (xiii) of the said Order are not applicable.

(xiv) On the basis of our examination and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) According to the information and explanations given to us, the Company has not taken any term loans.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used the fund borrowed on short term basis during the year for long term investments.

(xviii) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

(xix) The Company has not issued debentures or made any public issue during the year and accordingly the provisions of paragraph 4 (xix) and (xx) of the said Order, are not applicable.

(xx) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

For **RSM & Co.**
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

Place: Mumbai
Date: August 14, 2007

Balance sheet as at March 31, 2007

	Schedule	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	**5,000,000**	5,000,000
Loan funds			
Unsecured loan from holding company 'Trigyn Technologies Limited'		**17,998,976**	23,765,788
		22,998,976	28,765,788
APPLICATION OF FUNDS			
Investments	2	**50,000**	50,000
Current assets, loans and advances			
Sundry debtors	3	**817,856**	1,404,736
Cash and bank balances	4	**424,898**	703,419
Loans and advances	5	**853,479**	1,211,718
		2,096,233	3,319,873
Less: Current liabilities and provisions			
Current liabilities	6	**1,309,197**	975,551
Provisions	7	**355,880**	625,623
		1,665,077	1,601,174
Net current Assets		**431,156**	1,718,699
Profit and loss account		**22,517,820**	26,997,089
		22,998,976	28,765,788
Notes to the accounts	11		

As per our report of even date attached

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

For Leading Edge Infotech Limited

Sanjay A. Patkar
Director

R. Ganapathi
Director

Place: Mumbai
Date: August 14, 2007

Profit and loss account for the year ended March 31, 2007

	Schedule	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Income			
Software development services		**9,173,699**	5,457,245
Other income	**8**	**87,693**	26,297
		9,261,392	5,483,542
Expenditure			
Personnel Costs	**9**	**3,832,847**	3,219,728
Administrative and other expenses	**10**	**462,706**	298,516
Preliminary expenses written off		-	5,000
		4,295,553	3,523,244
Profit for the year before tax		**4,965,839**	1,960,298
Less: Provision for taxation			
- Current tax (Minimum alternative tax)		**479,259**	106,529
- Fringe benefit tax		**7,310**	7,594
Profit for the year after tax		**4,479,270**	1,846,175
Loss brought forward from previous year		**26,997,089**	28,843,264
Loss carried forward		**22,517,820**	26,997,089
Earning per share (basic and diluted)		**8.96**	3.69
Number of shares of face value Rs. 10 each		**500,000**	500,000

Notes to the accounts **11**

As per our report of even date attached

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

For Leading Edge Infotech Limited

Sanjay A. Patkar
Director

R. Ganapathi
Director

Place: Mumbai
Date: August 14, 2007

Cash Flow Statement for the year ended March 31, 2007

	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Cash flow from operating activities		
Profit for the year before tax	**4,965,839**	1,960,298
Adjustments for:		
Interest income	**(16,192)**	(14,977)
Income from Trade Investments	**(7,000)**	(7,000)
Depreciation and amortization	**-**	5,000
Provision for doubtful debts	**100,335**	-
Operating profit before working capital changes	**5,042,982**	1,943,321
Changes in:		
(Increase)/Decrease in Sundry Debtors	**486,545**	(986,436)
(Increase)/Decrease in Loans and advances	**(66,793)**	3,060
Increase/(Decrease) in Current Liabilities and Provisions	**63,903**	(67,810)
Cash generated/(used) in operations	**5,526,637**	892,135
Income taxes paid, net	(61,538)	(190,291)
Net cash generated in operations (A)	**5,465,099**	701,844
Cash flow from investing activities		
Interest Received	**16,192**	14,977
Dividend Received	**7,000**	7,000
Net cash generated from investing activities (B)	**23,192**	21,977
Cash flow from financing activities		
Loans from / (repaid to) holding company (net)	**(5,766,812)**	(1,518,914)
Net cash used from financing activities (C)	**(5,766,812)**	(1,518,914)
Decrease in cash and cash equivalents (A+B +C)	**(278,521)**	(795,093)
Cash and cash equivalents at the beginning of year	**703,419**	1,498,512
Cash and cash equivalents at the end of year	**424,898**	703,419

Notes:

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 Cash flow statements' issued by the Institute of Chartered Accountants of India.

2. Cash and cash equivalents as at the year end consist of cash Rs.318 (2006: Rs.100) and bank balances in current account Rs.174,580 (2006: Rs.453,319) and in deposit account Rs.250,000 (2006: Rs.250,000).

As per our report of even date attached

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

For Leading Edge Infotech Limited

Sanjay A. Patkar
Director

R. Ganapathi
Director

Place: Mumbai
Date: August 14, 2007

Schedules to the financial statements for year ended March 31, 2007

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 1. Share Capital		
Authorised		
500,000 (2006: 500,000) equity shares of Rs 10 each.	**5,000,000**	5,000,000
Issued, subscribed and paid-up		
500,000 (2006: 500,000) equity shares of Rs 10 each fully paid up. (the entire share capital is held by Trigyn Technologies Limited, the holding company)	**5,000,000**	5,000,000
	5,000,000	5,000,000
Schedule 2. Investments		
Long-term, non - trade and unquoted		
5,000 (2006: 5,000) equity shares of Rs 10 each fully paid-up in North Kanara GSB Co operative Bank Limited	**50,000**	50,000
	50,000	50,000
Schedule 3. Sundry debtors		
(Unsecured, considered good, unless otherwise stated)		
Debts over six months - Considered doubtful	**100,335**	-
Other debts - Considered good	**817,856**	1,404,736
	918,191	1,404,736
Less: Provision for doubtful debts	**100,335**	-
	817,856	1,404,736
Schedule 4. Cash and bank balances		
Cash on hand	**318**	100
Balances with scheduled banks		
- on current account	**174,580**	453,319
- on deposit account (pledged with bank towards guarantee)	**250,000**	250,000
	424,898	703,419
Schedule 5. Loans and advances		
(Unsecured, considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	**462,292**	397,500
Deposits	**12,500**	10,500
Advance taxes [(Net of provision for taxes Rs.600,692 (previous year Rs.114,123)]	**378,687**	803,718
	853,479	1,211,718
Schedule 6. Current liabilities		
Sundry creditors	**285,444**	222,048
Advance from customers	**444,100**	12,500
Other liabilities	**579,653**	741,003
	1,309,197	975,551
Schedule 7. Provisions		
Provision for leave encashment and gratuity costs	**355,880**	625,623
	355,880	625,623

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 8. Other income		
Interest received on deposits with banks [TDS Rs. 3,633 (2006: Rs. 3,361)]	**16,192**	14,977
Miscellaneous income	**13,340**	4,320
Interest on Income tax refund	**51,161**	-
Dividend income	**7,000**	7,000
	87,693	26,297
Schedule 9. Personnel costs		
Salaries, bonus and other allowances	**3,803,605**	4,043,439
Contribution to provident and other funds	**268,233**	225,959
Gratuity and leave encashment costs	**(246,979)**	257,559
Staff welfare	**7,988**	10,923
Software development services expenses/(recovery) – net	**-**	(1,318,152)
	3,832,847	3,219,728
Schedule 10. Administrative and other expenses		
Consultancy charges	**98,360**	70,000
Legal and professional fees	**199,964**	169,436
Communication expenses	**735**	779
VAT / Sales Tax Expenses	**11,868**	7,659
Provision for doubtful debts	**100,335**	-
Miscellaneous	**51,444**	50,642
	462,706	298,516

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

Schedule 11. Notes to Accounts

1. Background

Leading Edge Infotech Limited ('LEIL' or 'the Company') was incorporated on 16 July 1996.

LEIL is engaged primarily in providing software services for the financial services market in India.

In 1997 – 98, the company became a wholly owned subsidiary of Trigyn Technologies Limited ('TTL') (formerly known as Leading Edge Systems Limited), who have subscribed to the total share holding of the company.

2. Principal accounting policies

2.1 Basis of preparation of financial statements

(a) The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

(b) The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

(c) These financial statements have been prepared assuming the Company will continue as a going concern despite negative net worth in the current year. Management believes that the Company will be able to finance its operations and meet its commitments and also commitments given by its holding company and from internal cash generation in the foreseeable future, given the various options it is perusing in this regard. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

2.2 Revenue recognition

Income from annual maintenance is accounted for on accrual basis as and when the services are rendered exclusive of VAT.

Revenue from 'time and material' contracts is recognised exclusive of service tax as and when related services are performed and accepted by the customer.

Interest and Other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis. Dividend income is recognized when the right to receive dividend is established.

2.3 Retirement benefits

Contributions to the provident fund, which is a defined contribution scheme, are charged to the profit and loss account in the year in which the contributions are due. Leave encashment costs are provided for as at the balance sheet date on arithmetical basis. Gratuity costs, which are defined benefits, are provided as at the balance sheet date on an arithmetical basis.

2.4 Investments

Long-term investments are carried at cost, and provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are carried at lower of cost and fair value, and provision is made to recognise any decline in the carrying value.

2.5 Income tax

Current tax provision is made annually based on the tax liability computed after considering tax allowances and exemptions. Further, deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, other than deferred tax assets in respect of unabsorbed depreciation and carry forward tax losses, which are recognised only to the extent that there is virtual certainty that they will be realized. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

2.6 Earnings per share

The basic earnings per share is computed by dividing the profit/ loss after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

2.7 Segment information

In accordance with Accounting Standard 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India, if the Company's single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, the Company has chosen to present segment information only in its consolidated financial statements.

2.8 Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet.

3. Deferred Taxes

In view of losses incurred by the Company, deferred tax assets on carry forward business losses and unabsorbed depreciation have not been created as there is no reasonable certainty that sufficient future taxable income will be available against such deferred tax assets.

4. Contingent Liabilities

Counter guarantees on behalf of the company Rs. 1,000,000 (2005-06: Rs. 1,000,000), given by the parent to the Banks which have provided these Bank Guarantees for and on behalf of the Company.

5. The Company has provided MAT tax liability in accordance with the provision on section 115JB of the Income Tax Act, 1961.

6. Earnings per share

Details of numerator and denominator used for the purposes of computing earnings per share are summarized below:

	2007	2006
Profit for the year	**4,479,270**	1,846,175
Weighted average number of shares used in computing earning per share	**500,000**	500,000
Face value of Rs.10 each Basic and diluted earnings per share.	**8.96**	3.69

7. Related party transactions

Details of related parties including summary of transactions entered into by the Company during the year ended March 31, 2007 are summarized below:

Holding company	**Key management personnel**
Trigyn Technologies Limited	Tushar Vaidya
Fellow associate companies	(resigned on 08.1.06)
Applisoft Inc. ECapital Solutions (Bermuda) Limited ECapital Solutions (Mauritius) Limited Trigyn Technologies (India) Private Limited Trigyn Technologies Europe GmbH Trigyn Technologies Inc EVector (Cayman) Limited EVector Inc. EVector (India) Private Limited EVector (UK) Limited Trigyn Technologies Limited, UK	Ramakrishna Bhagwat

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

Particulars of related party transactions during the year ended March 31, 2007 and March 31, 2006

Nature of transactions	Transactions with related parties	
	2007	2006
Transactions during the year		
Expenses incurred by the Company	**36,876**	3,973,536
Expenses incurred on behalf of the Company	**137,064**	3,688,106
Loans from holding company	**1,733,000**	200,000
Loans repaid to holding company	**7,600,000**	1,433,484
Year-end balances		
Gross amounts due as loans	**17,998,976**	23,765,788
Guarantees given on behalf of the Company (refer note 4 to schedule 11)	**1,000,000**	1,000,000

8. Supplementary statutory information

	2007	2006
Legal and professional fees include:		
Auditor's remuneration:		
- statutory audit fees	**56,250**	56,120
- tax audit fees	**28,090**	28,060
	84,340	84,180

9. Based on the available information with the management, the Company does not owe any sum to a small scale iIndustrial undertaking as defined in clause (j) to section 3 of the Industries (Development and Regulation) Act, 1951.

11. The balances of certain amounts under loans and advances, debtors and creditors are subject to confirmation/ reconciliation and consequential adjustment, if any. The management does not, however, expect any significant impact on the financial statements on this account.

12. The current assets, loans and advances are stated at the value, which in the opinion of the board, are realizable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

13. Prior year comparatives

Prior year figures have been reclassified / regrouped to conform to current year's presentation.

For Leading Edge Infotech Limited

Sanjay A. Patkar — Director

R. Ganapathi — Director

Place: Mumbai
Date: August 14, 2007

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS

Registration No.	101095	State Code	11
Balance Sheet Date (Date Month Year)	31.03.2007		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	24664	Total Assets	24664
SOURCES OF FUNDS:		**APPLICATION OF FUNDS:**	
Paid-up Capital (including share application money)	5000	Net Fixed Assets	-
Reserves & Surplus	-	Investments	50
Secured Loans	-	Net Current Assets	431
Unsecured Loans	17999	Miscellaneous Expenditure	-
		Accumulated loss	22518

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (Total Income) (including other income)	9261	Total Expenditure	4295
+ - Profit Before Tax	4966	+ - Profit After Tax	4479
Earning per Share in Rs.	8.96	Dividend %	-

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	8524.9
PRODUCT DESCRIPTION	Computer Software
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable

AUDITORS' REPORT

To the members of Trigyn Technologies Inc.

1. We have audited the attached balance sheet of **Trigyn Technologies Inc**. (the 'Company') as at March 31, 2007 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended March 31, 2007 annexed thereto (collectively referred to as 'financial statements'). 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As stated in note 2.1(b) to schedule 13, these financial statements have been prepared by the Company for the purposes of attaching to the financial statements of its ultimate holding company, Trigyn Technologies Limited, as prescribed under Section 212 of the India Companies Act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003, ('the said Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
5. *We draw attention to note 2.1 (d) to schedule 13 in the financial statements. These financial statements have been prepared assuming the Company will continue as going concern despite negative networth, negative cashflow and negative current assets. In our opinion, these factors, along with other matters set forth in the above note, creates uncertainty about the continuation of the Company as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that might result should the Company be unable to continue as a going concern.*
6. 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 purposes 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, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
   c. in our opinion, the financial statements comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   d. *except for the adjustments, if any, required to the carrying amount of assets and the classification of liabilities that might result should the Company be unable to continue as a going concern as stated in paragraph 5 above*, 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 Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2007;
      (ii) in the case of the profit and loss account, of the profit of the Company for the year ended March 31, 2007; and,
      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner(F-33220)

Place: Mumbai
Date: August 3, 2007

Annexure to Auditors' Report of Trigyn Technologies Inc.
(Referred to in our Report of even date)

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

(b) The Company has a carried out a physical verification of fixed assets. We are informed that no material discrepancies were noticed on such verification.

(c) The Company has not disposed off any part of fixed assets during the year.

(ii) The Company is in the business of providing software services, hence provisions of paragraph 4 (ii) (a), (b) and (c) of the said Order are not applicable.

(iii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system. We are informed that the nature of Company's business does not involve purchase of inventory and sale of goods.

(iv) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of section 58A, section 58AA and any other relevant provisions of the Act and the rules framed there under. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(v) The Company does not have an internal audit system.

(vi) (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed employee benefits fund dues with the appropriate authorities during the year. There are no arrears as on March 31, 2007 exceeding six months from the date they became payable.

(b) There are no disputed amounts pending with the relevant Authorities.

(vii) In our opinion and according to the information and explanations given to us, the Company's accumulated losses exceed 50% of its net worth at the end of the financial year under reporting; and has not incurred any cash losses during the financial year under reporting. The Company has incurred cash losses in the immediately preceding financial year.

(viii) As the Company has not borrowed any loans from financial institutions, banks and debenture holders, provisions of paragraph 4(xi) of the said Order are not applicable.

(ix) As the Company has not granted any loans or advances against security, provisions of paragraph 4 (xii) of the said Order are not applicable.

(x) In our opinion and according to the information and explanations given to us, the Company is not a chit fund, or a nidhi, mutual benefit funds/societies; accordingly, the provisions of paragraph 4 (xiii) of the said Order are not applicable.

(xi) On the basis of our examination and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xiii) According to the information and explanations given to us, the Company has not taken any term loans.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used the funds borrowed on short term basis during the year for long term investments.

(xv) The Company has not issued debentures or made any public issue during the year and accordingly provisions of paragraph 4 (xix) and (xx) of the said Order are not applicable.

(xvi) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner(F-33220)

Place: Mumbai
Date: August 3, 2007

Balance sheet as at March 31, 2007

(Currency: Indian Rupees)

	Schedule	**As at March 31, 2007 Rs.**	As at March 31, 2006 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	**486**	486
Reserves and surplus	2	**70,723,347**	68,759,420
Loan funds			
Unsecured loans	3	**9,339,600**	9,593,300
		80,063,433	78,353,206
APPLICATION OF FUNDS			
Fixed assets	4		
Gross block		**9,695,341**	9,690,000
Less: Accumulated depreciation		**9,137,548**	9,118,482
Net block		**557,793**	571,518
Current assets, loans and advances			
Sundry debtors	5	**175,432,967**	101,287,067
Unbilled receivables		**4,505,941**	12,185,347
Cash and bank balances	6	**22,087,261**	23,143,751
Loans and advances	7	**6,055,964**	2,221,662
		208,082,133	138,837,827
Current liabilities and provisions			
Current liabilities	8	**287,736,005**	261,245,759
Provisions	9	**3,784,279**	1,620,705
		291,520,284	262,866,464
Net current liabilities		**(83,438,151)**	(124,028,637)
Profit and loss account		**162,943,791**	201,810,325
		80,063,433	78,353,206
Notes to Accounts	13		

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

Vilas Y. Rane
Partner (F-33220)

For Trigyn Technologies Inc

Homiyar Panday
Director

Richard Raja
Director

Place: Mumbai
Date : August 3, 2007

Profit and loss account for year ended March 31, 2007

(Currency: Indian Rupees)

	Schedule	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Income			
Software and consultancy services		**1,001,934,886**	429,918,255
Other income	10	**2,781,327**	6,091,914
Excess provision no longer required, written back		**-**	322,238
		1,004,716,213	436,332,407
Expenditure			
Personnel costs	11	**282,849,947**	189,409,816
Consultancy charges		**653,844,390**	230,245,685
Other costs	12	**28,234,546**	25,048,775
Depreciation	4	**271,051**	199,118
Finance and other charges		**197,245**	70,926
		965,397,179	444,974,320
Profit / (loss) for the year before prior period adjustments and tax		**39,319,034**	(8,641,913)
Less: Prior period expense (refer note 3 to schedule 13)		**-**	664,313
Profit / (loss) for the year after prior period adjustments and before tax		**39,319,034**	(9,306,226)
Less: Provision for taxation		**452,500**	-
Net profit / (loss) for the year		**38,866,534**	(9,306,226)
Accumulated loss, brought forward		**201,810,325**	192,504,099
Accumulated loss, carried forward		**162,943,791**	201,810,325
Basic and diluted earnings per share		**38,867**	(9,306)
Number of shares (face value of USD 0.01 each)		**1,000**	1,000
Notes to Accounts	13		

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

For Trigyn Technologies Inc

Vilas Y. Rane
Partner (F-33220)

Homiyar Panday
Director

Richard Raja
Director

Place: Mumbai
Date : August 3, 2007

Cash Flow Statement for the year ended on March 31, 2007

(Currency: Indian Rupees)

	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Cash flow from operating activities		
Profit / (loss) for the year after prior period adjustments and before tax	**39,319,034**	(9,306,226)
Adjustments for:		
Interest income	**(126,580)**	(169,765)
Provision for doubtful debts /bad debts/advances	**563,427**	(322,238)
Depreciation and amortisation	**271,051**	199,118
Operating profit before working capital changes	**40,026,932**	(9,599,111)
Changes in:		
(Increase)/Decrease in Sundry Debtors	**(67,029,921)**	(55,758,143)
(Increase)/Decrease in Loans and advances	**(3,191,161)**	181,220
Increase/(Decrease) in Current Liabilities and Provisions	**28,219,419**	68,408,600
Cash generated/(used in) operations	**(1,974,731)**	3,232,566
Income tax adjustment	**(18,100)**	-
Net cash generated/(used in) operations (A)	**(1,992,831)**	3,232,566
Cash flow from investing activities		
Purchase of fixed assets	**(257,326)**	(197,918)
Interest received	**126,580**	169,765
Loan repayment from / (to) subsidiaries (net)	**(643,142)**	(110,592)
Net cash used from investing activities (B)	**(773,888)**	(138,745)
Cash flow from financing activities		
Acceptance / (Repayment) of unsecured loans	**(253,700)**	178,450
Net cash genearted / (used) from financing activities (C)	**(253,700)**	178,450
Increase/(Decrease) in cash and cash equivalents (A+B+C)	**(3,020,419)**	3,272,271
Adjustment on account of currency translation reserve	**1,963,929**	(2,370,398)
Cash and cash equivalents at the beginning of year after unrealised exchange gain	**23,143,751**	22,241,878
Cash and cash equivalents at the end of year after unrealised exchange gain*	**22,087,261**	23,143,751

Note: Cash and cash equivalents consists of cash Rs. Nil (previous year Rs. Nil) and bank balance in current account Rs. 16,733,863 (previous year Rs. 22,587,915) and in deposit account Rs. 5,353,398 (previous year Rs. 555,836).

As per our report of even date attached.

For RSM & Co.
Chartered Accountants

For Trigyn Technologies Inc

Vilas Y. Rane
Partner (F-33220)

Homiyar Panday
Director

Richard Raja
Director

Place: Mumbai
Date : August 3, 2007

Schedules to the financial statements for year ended March 31, 2007

(Currency: Indian Rupees)

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 1. Share capital		
Authorised share capital		
1,000 (2005-06: 1,000) equity shares of par value Rs 0.48 (equivalent USD 0.01) each.	**486**	486
Issued, subscribed and paid-up share capital		
1,000 (2005-06: 1,000) shares of par value Rs 0.48 (equivalent USD 0.01) each, fully paid up.	**486**	486

All the above shares are held by eCapital Solutions (Bermuda) Limited, the holding company.

Schedule 2. Reserves and surplus		
Share premium account	**29,135,514**	29,135,514
Capital reserve	**22,915,901**	22,915,901
Foreign currency translation reserve	**18,671,932**	16,708,005
	70,723,347	68,759,420
Schedule 3. Unsecured loans, interest free		
Holding company	**5,212,800**	5,354,400
Others	**4,126,800**	4,238,900
	9,339,600	9,593,300

Schedule 4. Fixed assets

Particulars	Gross Block				Accumulated depreciation				Net book value	
	As at 1-Apr-06	Additions during the year	Deletions/ Adjustments during the year*	As at 31-Mar-07	As at 1-Apr-06	Depreciation for the year	Deletions/ Adjustments during the year*	As at 31-Mar-07	As at 31-Mar-07	As at 31-Mar-06
Computers and peripherals	5,047,599	261,598	133,486	**5,175,711**	4,598,755	227,143	130,702	**4,695,196**	**480,515**	448,844
Software	4,462,000	-	118,000	**4,344,000**	4,462,000	-	118,000	**4,344,000**	**-**	-
Furniture & Fittings	180,401	-	4,771	**175,630**	57,727	43,908	3,283	**98,352**	**77,278**	122,674
	9,690,000	**261,598**	**256,257**	**9,695,341**	**9,118,482**	**271,051**	**251,985**	**9,137,548**	**557,793**	**571,518**
Previous year	9,324,701	188,557	176,742	9,690,000	8,751,983	199,118	167,381	9,118,482	571,518	

* Deletions/Adjustments are on account of foreign currency translation

Schedule 5. Sundry debtors		
(Unsecured, considered good, unless otherwise stated)		
Debts over six months		
- Considered good	**13,494,332**	1,622,205
- Considered doubtful *	**37,383,148**	37,865,660
	50,877,480	39,487,865
Other debts		
- Considered good	**161,938,635**	99,664,862
	212,816,115	139,152,727
Less: Provision for doubtful debts	**37,383,148**	37,865,660
	175,432,967	101,287,067

* includes amount due from Trigyn Technologies-UK Rs. 0.24 million (equivalent USD 5,611) (2005-06 : Rs.0.25 million (equivalent to USD 5,611)), which is company under same management as defined under section 370(1B) of the Indian Companies Act, 1956

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

(Currency: Indian Rupees)

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 6. Cash and bank balances		
Balances with non-scheduled banks:		
in current account		
- Wachovia bank	**16,733,863**	22,587,915
in fixed deposit		
- Wachovia bank	**5,353,398**	555,836
	22,087,261	23,143,751
Maximum balance held during the year with above banks		
- Wachovia bank	**51,891,684**	29,281,081
Schedule 7. Loans and advances		
(Unsecured, considered good)		
Loans to fellow subsidiaries	**1,404,795**	-
Prepaid expenses	**1,366,680**	1,119,599
Loans and advances to employees	**-**	180,192
Deposits	**415,829**	427,125
Advances recoverable in cash or in kind or for value to be received	**2,868,660**	494,746
	6,055,964	2,221,662
(Unsecured, considered doubtful)		
Loans to fellow subsidiaries	**28,039,175**	28,800,829
Other loans	**3,909,600**	4,015,800
Less: Provision for doubtful loans	**31,948,775**	32,816,629
	-	-
	6,055,964	2,221,662

Loans and advances to fellow subsidiaries include amounts due from Trigyn Technologies Limited, UK Rs 24.02 million (equivalent USD 552,866) (2005-06: Rs 24.67 million (equivalent USD 552,866)) and Applisoft, Inc., Rs 5.43 million (equivalent USD 124,941) (2005-06: Rs 4.13 million (equivalent USD 92,603)), which are companies under the same management as defined under section 370(1B) of the Indian Companies Act, 1956.

Maximum amount outstanding during the year from Trigyn Technologies Limited, UK Rs 24.67 million (equivalent USD 552,866) (2005-06: 24.67 million (equivalent USD 552,866)), Applisoft, Inc. Rs 5.43 million (equivalent USD 124,941) (2005-06: Rs 4.13 million (equivalent USD 99,879)) and Trigyn Technologies (India) Private Limited (UK Branch) Rs Nil million (equivalent USD Nil) (2005-06: Rs 0.11 million (equivalent USD 2,433)).

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 8. Current liabilities		
Sundry creditors		
- Subsidiary	**12,119,892**	12,449,115
- Others	**224,458,357**	229,883,184
Other liabilities	**51,157,756**	18,913,460
	287,736,005	261,245,759

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

(Currency: Indian Rupees)

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 9. Provisions		
Provision for taxation	**434,400**	-
Provision for leave encashment costs	**3,349,879**	1,620,705
	3,784,279	1,620,705
Schedule 10. Other income		
Interest received	**126,580**	169,765
Royalty income	**-**	3,714,101
Sundry balance written back	**2,321,607**	1,135,226
Miscellaneous income	**333,140**	1,072,822
	2,781,327	6,091,914
Schedule 11. Personnel costs		
Salaries and bonus	**253,054,262**	168,388,349
Payroll taxes	**18,782,956**	12,191,247
Leave encashment	**1,845,869**	472,764
Staff insurance and benefits	**9,166,860**	8,357,456
	282,849,947	189,409,816
Schedule 12. Other costs		
Communication costs	**985,886**	1,309,302
Legal and professional fees	**3,965,869**	4,795,470
Statutory audit fees	**144,286**	220,658
Travel and conveyance costs	**4,056,657**	3,651,926
Insurance	**2,258,946**	1,920,003
Staff recruitment costs	**2,864,984**	1,264,417
Rent, rates and taxes	**3,862,370**	3,725,782
Repairs and maintenance	**111,467**	78,708
Sales commissions	**3,469,927**	5,087,216
Provision for doubtful debts-net	**540,485**	-
Bad debts	**22,942**	-
Miscellaneous expenses	**5,950,727**	2,995,293
	28,234,546	25,048,775

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

(Currency: Indian Rupees)

Schedule 13. Notes to Accounts

1. Background

Trigyn Technologies, Inc. ('TTI' or 'the Company') formerly known as "eCapital Solution Inc" was incorporated in the state of Delaware, USA on 9 April 1999 as a wholly owned subsidiary of eCapital Solutions (Bermuda) Limited ('EB'). In April 2000, Trigyn Technologies Limited ('TTL'), a company listed on the Mumbai stock exchange acquired EB, thereby becoming the ultimate holding company of TTI.

The Company is engaged in the business of providing information technology consultancy and software development services.

2. Principal accounting policies

2.1 Basis of preparation of financial statements

(a) These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 as applicable to bodies corporate.

(b) These financial statements have been prepared for the purpose of compliance with the provisions of section 212 of the Indian Companies Act, 1956 by the ultimate holding company i.e. TTL. Accordingly, these financial statements will be attached to the financial statements of TTL as prescribed under Section 212 of the Indian Companies Act, 1956. The Balance Sheet and Profit and Loss Account of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of compliance with the requirements of section 212 of the Indian Companies Act 1956, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the revised Accounting Standard 11 on Accounting for the effects of changes in foreign exchange rates.

(c) The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

(d) These financial statements have been prepared assuming the Company will continue as a going concern despite negative net worth, ceasation of operations and current liabilities exceeds current assets. Management believes that the Company will be able to finance its operations and meet its commitments and also commitments given by the ultimate holding company to support its subsidiaries, and from internal cash generation in the foreseeable future, given the various options it is perusing in this regard. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

2.2 Revenue recognition

Revenues from software development services comprise income from time and material and fixed price contracts. Revenue from 'time and material' contracts is recognized as related services are performed and accepted by the customer. Revenue from fixed price contracts is recognized using the percentage of completion method of accounting, under which the sales value of performance, including the profit thereon, is determined by relating the actual man hours of work performed to date to the estimated total man hours for each contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable, based on current contract estimates. The revenue allocated to post-contract customer support is recognized ratably over the term of the support and revenue allocated to service elements such as training, installation and customization is recognized as the services are performed.

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

(Currency: Indian Rupees)

Interest and Other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

Unbilled receivables represent costs incurred and revenues recognized on contracts, to be billed in subsequent periods as per the terms of the contract. Amounts received in advance of meeting the revenue recognition criteria are deferred and reflected as 'Billings in excess of costs and estimated earnings on uncompleted contracts'.

2.3 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the fixed assets. Depreciation on fixed assets is provided based on the straight-line method over its estimated useful life. Depreciation on additions and disposals is provided pro-rata for the period of use.

The useful life of fixed assets being followed by the Company is shorter than those prescribed under Schedule XIV to the Companies Act, and are summarised below:

Asset	Useful life (in years)
Computers and peripherals	3
Software	3
Furniture & Fittings	4

2.4 Retirement benefits

The Company provides leave encashment costs based on leave balance to the credit of the employees at the year-end, at the prevalent salary rates.

2.5 Income tax

Current taxes comprise state and federal taxes in the United States.

2.6 Earnings per share

The basic and diluted earnings per share is computed by dividing the profit / loss after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

2.7 Segment information

In accordance with Accounting Standard 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India, if the Company's single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, the Company has chosen to present segment information only in its consolidated financial statements.

2.8 Leases

Operating lease payments are recognized in the profit & loss account on a straight line basis over the lease term.

2.9 Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet.

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

(Currency: Indian Rupees)

3. Prior Period

Prior period expenses consist of salary paid to employees of the Company.

4. Income Tax

In view of tax losses, the Company has not made provision for current taxes. The Company has made provision for the Minimum Alternative Tax for the year ended March 31, 2007.

5. Earnings per share

Details of numerator and denominator used for the purposes of computing earnings per share are summarized below:

	2007	2006
Profit / (Loss) for the year	**38,866,534**	(9,306,226)
Weighted average number of shares used in computing earning per share	**1,000**	1,000
Face value of USD 0.01 each		
Basic and diluted earnings per share.	**38,867**	(9,306)

6. Leases

The Company has entered into operating lease arrangements, for leasing office premises in USA. The office premise has been taken under a non-cancelable lease for a period of 5 years, which is renewable at the option of the Company.

The future minimum lease payments in respect of non-cancelable operating lease in the US as at 31 March 2007 are summarized below:

	2007	2006
Lease rental payments for the year	**3,003,482**	2,875,773
Future minimum lease rentals payments payable:		
- not later than one year	**2,973,696**	2,543,653
- Later than one year but not later than five years	**1,734656**	6,359,131
	4,708,352	8,902,784

7. Related party transactions

Details of related parties including summary of transactions entered into by the Company during the year ended 31 March 2007 are summarized below:

Holding company
ECapital Solutions (Bermuda) Limited
Ultimate Holding company
Trigyn Technologies Limited
Fellow associate companies
Applisoft Inc.
ECapital Solutions (Mauritius) Limited
Leading Edge Infotech Limited
Trigyn Technologies Europe GmbH
Trigyn Technologies India (Private) Limited
EVector (Cayman) Limited
EVector Inc.
EVector (India) Private Limited
EVector (UK) Limited
Trigyn Technologies Limited, UK

Key Management Personnel
Tushar Vaidya
(resigned on 31.08.06)
Ramkrishna Bhagwat
(resigned on 31.03.07)
Homiyar Pandy
C.V.Rao
C Rao Kasarabada
Richard Raja

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

(Currency: Indian Rupees)

Particulars of related party transactions during the year ended 31 March 2007

Nature of transactions	Holding & ultimate holding company	Fellow associates companies
Cost of services rendered to the Company	**82,242,052**	-
	(32,104,648)	(-)
Expenses incurred by the Company	**327,349,821**	15,328
	(2,740,733)	(6,287,757)
Expenses incurred on behalf of the Company	**11,865,336**	-
	(1,344,681)	(-)
Loans given (net) by the Company	**-**	1,448,000
	(-)	(-)
Write back of doubtful loans	**-**	-
	(322,238)	(-)
Year-end balances		
Gross amounts payable to creditors	**165,191,767**	62,112,168
	(109,434,062)	(63,799,377)
Gross amounts payable as loans	**5,212,800**	-
	(5,354,000)	(-)
Gross amounts receivable as loans	**-**	29,443,970
	(-)	(28,800,829)
Gross amounts receivable as debts	-	243,742
	(-)	(250,363)
Provision for doubtful loans	**-**	28,039,175
	(-)	(28,800,829)
Provision for doubtful debts	**-**	243,742
	(-)	(250,363)

Transactions with directors (refer note 8(i) to schedule 13)
Previous years figure are given in brackets

8. **Supplementary statutory information**

	2007	2006
(i) Personnel costs includes managerial remuneration paid to the directors of the Company as follows:		
- Salaries and bonus	**12,944,987**	6,986,036
- Others	**848,982**	2,116,005
	13,793,969	9,102,041

9. The current assets, loans and advances are stated at the value, which in the opinion of the Board, are realisable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

10. The balances of certain amounts under loans and advances, debtors and creditors are subject to confirmation/ reconciliation and consequential adjustment, if any. The management does not, however, expect any significant impact on the financial statements on this account.

11. **Prior year comparatives**

Prior year figures have been appropriately reclassified / regrouped to conform to current year's presentation.

For Trigyn Technologies Inc.

Place: Mumbai	**Homiyar Panday**	**Richard Raja**
Date: August 3, 2007	Director	Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS

Registration No. NA

State Code NA

Balance Sheet Date 31.03.2007
(Date Month Year)

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	371584	Total Assets	371584
SOURCES OF FUNDS:		**APPLICATION OF FUNDS:**	
Paid-up Capital (including share application money)	0.486	Net Fixed Assets	558
Reserves & Surplus	-	Investments	-
Secured Loans	-	Net Current Assets (liabilities)	(83438)
Unsecured Loans	9340	Miscellaneous Expenditure	-
		Accumulated loss	162944

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (Total Income) (including other income)	1004716	Total Expenditure	965397
+ - Profit Before Tax	39316	+ - Profit After Tax	38867
Earning per Share in Rs.	38867	Dividend %	-

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

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	8524.9
PRODUCT DESCRIPTION	Computer Software
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable

AUDITORS' REPORT

To the members of Applisoft Inc.

1. We have audited the attached balance sheet of **Applisoft Inc**. (the 'Company') as at March 31, 2007 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended March 31, 2007 annexed thereto (collectively referred to as 'financial statements'). 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the 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.
3. As stated in note 2.1(b) to schedule 10, these financial statements have been prepared by the Company for the purposes of attaching to the financial statements of its ultimate holding company, Trigyn Technologies Limited, as prescribed under Section 212 of the Companies act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003, ('the said Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
5. *We draw attention to note 2.1 (d) to schedule 10 in the financial statements. These financial statements have been prepared assuming the Company will continue as going concern despite negative networth, ceasation of operations and current liabilities exceeds current assets. In our opinion, these factors, along with other matters set forth in the above note, raise substantial doubt that the Company will be able to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that might results should the Company be unable to continue as a going concern.*
6. 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 purposes 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, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
   d. in our opinion, the financial statements comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e. *except for the adjustments, if any, required to the carrying amount of assets and the classification of liabilities that might result should the Company be unable to continue as a going concern as stated in paragraph 5 above,* in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and profit and loss account give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2007;
      (ii) in the case of the profit and loss account, of the loss of the Company for the year ended March 31, 2007; and,
      (iii) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For RSM & Co.
Chartered Accountants

Place : Mumbai
Date : August 03, 2007

Vilas Y. Rane
Partner (F-33220)

Annexure to Auditors' Report of Applisoft Inc.
(Referred to in our Report of even date)

(i) The Company does not have any fixed assets during the year. According, the provisions of paragraph 4(i)(a) to (c) of the said Order are not applicable

(ii) The Company is in the business of providing software services, hence the provisions of paragraph 4 (ii) (a), (b) and (c) of the said Order are not applicable.

(iii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system. We are informed that the nature of Company's business does not involve purchase of inventory and sale of goods.

(iv) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of section 58A, section 58AA and any other relevant provisions of the Act and the rules framed there under, hence the provisions of paragraph 4 (iv) of the said Order are not applicable.

(v) In our opinion, the Company does not have a paid-up capital and reserves exceeding Rs. 50 lacs as at the commencement of the financial year concerned nor have an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year concerned. Accordingly, provisions of paragraph 4 (vii) of the said Order are not applicable to the Company.

(vi) (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed employee benefits fund dues with the appropriate authorities during the year. There are no arrears as on March 31, 2007 exceeding six months from the date they became payable.

(b) There are no disputed amounts pending with the relevant Appellate Authorities.

(vii) In our opinion and according to the information and explanations given to us, the Company's accumulated losses exceed 50% of its net worth at the end of the financial year under reporting; and the Company has incurred cash losses in the financial year under report. The Company has not incurred cash losses in the immediately preceding financial year.

(viii) As the Company has not borrowed any loans from financial institutions, banks and debenture holders, the provisions of paragraph 4(xi) of the said Order are not applicable.

(ix) As the Company has not granted any loans or advances against security, the provisions of paragraph 4 (xii) of the said Order are not applicable.

(x) In our opinion and according to the information and explanations given to us, the Company is not a chit fund, or a nidhi, mutual benefit funds/societies, accordingly, the provisions of paragraph 4 (xiii) of the said Order are not applicable.

(xi) On the basis of our examination and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xiii) According to the information and explanations given to us, the Company has not taken any term loans.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used the fund borrowed on short term basis during the year for long term investments.

(xv) The Company has not issued debentures or made any public issue during the year and accordingly, the provisions of paragraph 4 (xix) and (xx) of the said Order, are not applicable.

(xvi) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

For RSM & Co.
Chartered Accountants

Place : Mumbai
Date : August 03, 2007

Vilas Y. Rane
Partner (F-33220)

Balance sheet at March 31, 2007

	Schedule	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	**728,400**	728,400
Reserves and surplus	2	**4,337,450**	4,069,310
Loan funds			
Secured loans	3	**-**	3,123,400
Unsecured loans	4	**9,240,281**	6,143,639
		14,306,131	14,064,749
APPLICATION OF FUNDS			
Current assets, loans and advances			
Sundry debtors	5	**-**	374,808
Cash and bank balances	6	**10,851**	162,384
		10,851	537,192
Current liabilities and provisions			
Current liabilities	7	**287,501**	364,061
		287,501	364,061
Net current (liabilities)/assets		**(276,650)**	173,131
Profit and loss account		**14,582,781**	13,891,618
		14,306,131	14,064,749
Notes to Accounts	10		

As per our report of even date attached

For RSM & Co.
Chartered Accountants

For Applisoft Inc.

Vilas Y. Rane
Partner (F-33220)

C. V. Rao
Director

Richard Raja
Director

Place : Mumbai

Date : August 03, 2007

Profit and loss account for the year ended March 31, 2007

	Schedule	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Income			
Software consultancy services		**-**	6,697,377
Other income	8	**8,531**	197,773
		8,531	6,895,150
Expenditure			
Consultancy Charges		**-**	5,490,582
Other costs	9	**687,205**	1,347,956
Finance charges		**12,489**	13,906
		699,694	6,852,444
(Loss)/Profit for the year before taxation		**(691,163)**	42,706
Provision for taxation		**-**	-
(Loss)/Profit for the year after taxation		**(691,163)**	42,706
Accumulated loss, brought forward		**(13,891,618)**	(13,934,324)
Accumulated loss, carried forward		**(14,582,781)**	(13,891,618)
Basic and diluted earnings per share		**(46.08)**	2.85
Number of shares (face value of USD 1.00 each)		**15,000**	15,000
Notes to Accounts	10		

As per our report of even date attached

For RSM & Co.
Chartered Accountants

For Applisoft Inc.

Vilas Y. Rane
Partner (F-33220)

C. V. Rao
Director

Richard Raja
Director

Place : Mumbai

Date : August 03, 2007

Cash Flow Statement for the year ended 31 March 2007

	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Cash flow from operating activities		
(Loss)/profit for the year before taxation	**(691,163)**	42,706
Adjustments for:		
Interest income	**-**	(744)
Provision for doubtful debts	**380,100**	(195,751)
Operating loss before working capital changes	**(311,063)**	(153,789)
Adjustments in:		
(Increase)/Decrease in Sundry Debtors	**(5,292)**	2,909,014
Increase/(Decrease) in Current Liabilities and Provisions	**(76,560)**	184,595
Net cash generated/(used) in operations (A)	**(392,915)**	2,939,820
Cash flow from investing activities		
Interest (Paid)/Received	**-**	744
Net cash generated from investing activities (B)	**-**	744
Cash flow from financing activities		
Acceptance / (Repayment) of unsecured loans	**55,842**	(3,525,453)
Repayment of loan to ex-officer	**(82,600)**	(135,836)
Net used for financing activities (C)	**(26,758)**	(3,661,289)
Decrease in cash and cash equivalents (A+B +C)	**(419,673)**	(720,725)
Adjustment on account of currency translation reserve	**268,140**	(169,639)
Cash and cash equivalents at the beginning of year	**162,384**	1,052,748
Cash and cash equivalents at the end of year	**10,851**	162,384

Notes:

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 'Cash flow statements' issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents as at the year end consist of bank balances in current account Rs.10,851 (2006: Rs.162,384).

As per our report of even date attached

For RSM & Co.
Chartered Accountants

For Applisoft Inc.

Vilas Y. Rane
Partner (F-33220)

C. V. Rao
Director

Richard Raja
Director

Place : Mumbai

Date : August 03, 2007

Schedules to the financial statements for year ended March 31, 2007

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 1. Share capital		
Authorised share capital		
1,000,000 (2006:1,000,000) shares of par value Rs 48.56 (equivalent US$ 1.00) each.	**48,560,000**	48,560,000
Issued, subscribed and paid-up share capital		
15,000 (2006:15,000) shares of par value Rs 48.56 (equivalent US$ 1.00) each, fully paid up.	**728,400**	728,400
All the above equity shares of the Company are held by Trigyn Technologies Limited, the holding company.		
Schedule 2. Reserves and surplus		
Foreign currency translation reserve	**4,337,450**	4,069,310
Schedule 3. Secured loans		
From ex-officer of the Company	**-**	3,123,400
The above loan is secrued against the first charge on the fixed and current assets of the Company		
Schedule 4. Unsecured loans (interest free)		
From holding company/Associates	**6,199,481**	4,798,792
From Director	**-**	1,344,847
From ex-officer of the Company	**3,040,800**	-
	9,240,281	6,143,639
Schedule 5. Sundry debtors		
(Unsecured, considered good, unless otherwise stated)		
Debts over six months		
- Considered doubtful*	**13,619,217**	13,614,360
Other debts		
- Considered good	**-**	374,808
	13,619,217	13,989,168
Less: Provision for doubtful debts	**13,619,217**	13,614,360
	-	374,808

*Includes due from Trigyn Technologies Inc. Rs.214,159 (2006: Rs.219,976), which is company under the same management as defined under section 370(1B) of the Companies Act, 1956.

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 6. Bank balances		
Balances with non-scheduled banks		
- In current Account	**10,851**	162,384
	10,851	162,384
Maximum balance held during the year with the above bank (Wachovia Bank)	**162,384**	2,636,751
Schedule 7. Current liabilities		
Sundry creditors	**1,014**	71,033
Other liabilities	**286,487**	293,028
	287,501	364,061

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 8. Other income		
Interest received	**-**	744
Provision for doubtful debts written back (net)	**-**	195,751
Miscellaneous income	**8,531**	1,278
	8,531	197,773
Schedule 9. Other costs		
Legal and professional fees	**239,592**	1,223,186
Rent, rates and taxes	**67,513**	119,709
Provision for bad and doubtful debts	**380,100**	-
Miscellaneous expenses	**-**	5,061
	687,205	1,347,956

Schedule 10. Notes to Accounts

1. Background

Applisoft, Inc. ('the Company') was incorporated on 6 September 1991 in San Jose, CA, USA in the name of TRG Inc. Subsequently, on 20 January 1996, the Company changed its name to Applisoft Inc. The Company is primarily engaged in the business of providing information technology and software consultancy services.

On 1 January 2001, Trigyn Technologies Limited ('TTL'), a company listed on the Stock exchange, Mumbai, India acquired 100% equity stake in the Company for consideration in cash aggregating Rs 421.6 million (equivalent USD 9 million).

The Company has stopped its operation from February 2006.

2. Principal accounting policies

2.1 Basis of preparation of financial statements

(a) These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 as applicable to bodies corporate.

(b) These financial statements have been prepared for the purpose of compliance with the provisions of section 212 of the Indian Companies Act, 1956 by the holding company i.e. TTL. Accordingly, these financial statements will be attached to the financial statements of TTL as prescribed under Section 212 of the Indian Companies Act, 1956. The Balance Sheet, Profit and Loss Account and Cash flow statement of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of compliance with the requirements of section 212 of the Indian Companies Act 1956, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the revised Accounting Standard 11 on Accounting for the effects of changes in foreign exchange rates. No representation is made, that the US dollar amounts have been, could have been or could be converted in to Indian Rupees at such an exchange rate.

(c) The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

(d) These financial statements have been prepared assuming the Company will continue as a going concern despite the Company has ceased its operations, negative net worth and current liabilities exceeds current assets. Management believes that the Company will be able to finance its operations and meet its commitments and also commitments given by the ultimate holding company to support its subsidiaries and from internal cash generation in the foreseeable future, given the various options it is perusing in this regard. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

2.2 Revenue recognition

Revenue from software consultancy services comprises income from time and material contracts, which is recognized as related services are performed and accepted by the customers.

Interest and Other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

2.3 Income tax

Current taxes comprise state and federal taxes in the United States. In view of the carry forward tax losses, the Company has not made provision for current taxes. Further, deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, other than deferred tax assets in respect of unabsorbed depreciation and carry forward tax losses, which are recognized only to the extent that there is virtual certainty that they will be realized. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

In view of significant losses incurred by the Company till the current period, deferred tax assets have not been recognized in the financial statements as at March 31, 2007. At each balance sheet date, such unrecognized deferred tax assets would be re-assessed and recorded in the financial statements when the realization of such assets become reasonably certain or virtually certain, as the case may be.

2.4 Earnings per share

The basic and diluted earnings per share are computed by dividing the profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

2.5 Segment information

In accordance with Accounting Standard 17 “Segment Reporting”, issued by the Institute of Chartered Accountants of India, if the Company’s single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, the Company has chosen to present segment information only in its consolidated financial statements.

2.6 Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet.

3. Earnings per share

Details of numerator and denominator used for the purposes of computing earnings per share are summarized below:

	2007	2006
(Loss)/profit for the year (Rs.)	**(691,163)**	42,706
Weighted average number of shares used in computing earning per share	**15,000**	15,000
Basic and diluted earnings per share of Rs.10 each	**(46.08)**	2.85

4. Related party transactions

Details of related parties including summary of transactions entered into by the Company during the year ended March 31, 2007 are summarized below:

Holding company

Trigyn Technologies Limited

Whole-time directors of the Company

Tushar Vaidya
(resigned on 08.09.2006)

Ramakrishna Bhagwat

Schedules to the financial statements for year ended March 31, 2007 *(Contd.)*

Fellow associate companies

Trigyn Technologies (India) Private Limited, ECapital Solutions (Bermuda) Limited, ECapital Solutions (Mauritius) Limited, Leading Edge Infotech Limited, Trigyn Technologies Europe GmbH, Trigyn Technologies Inc., EVector (Cayman) Limited, EVector Inc., EVector (India) Private Limited, EVector (UK) Limited, Trigyn Technologies Limited, UK.

Particulars of related party transactions during the year ended March 31, 2007

Nature of transactions	**Holding company**	**Fellow associates companies**	**Key Management Personal**
	Rs.	**Rs.**	**Rs.**
Expenses incurred on behalf of the Company	**56,938**	**15,328**	**-**
	(111,860)	(6,287,757)	(-)
Loans repaid during the year	**-**	**-**	**1,338,765**
	(1,585,241)	(-)	(-)
Loan taken during the year	**-**	**1,448,000**	**-**
	(-)	(-)	(-)
Year-end balances			
Gross amounts payable as loans	**772,028**	**5,427,453**	**-**
	(736,855)	(4,131,929)	(1,344,847)
Gross amounts receivable as debts	**-**	**214,159**	**-**
	(-)	(219,976)	(-)
Provision for doubtful debts	**-**	**214,159**	**-**
	(-)	(219,976)	(-)

(Previous years figure given in bracket)

	2007	2006
	Rs.	Rs.
5. Supplementary statutory information		
Legal and professional fees include:		
Auditor's remuneration:		
- audit fees	**57,291**	57,262
	57,291	57,262

6. The current assets, loans and advances are stated at the value, which in the opinion of the Board, are realisable in the ordinary course of the business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

7. The balance of loan from ex-officer of the Company is subject to confirmation/ reconciliation and consequential adjustment, if any. The management does not, however, expect any significant impact on the financial statements on this account.

8. **Prior year comparatives**

   Prior year figures have been appropriately reclassified / regrouped to conform to current year's presentation.

For Applisoft Inc.

C. V. Rao
Director

Richard Raja
Director

Place : Mumbai
Date : August 03, 2007

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS

Registration No.	NA	State Code	NA
Balance Sheet Date	31.03.2007 (Date Month Year)		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	14594	Total Assets	14594
SOURCES OF FUNDS:		**APPLICATION OF FUNDS:**	
Paid-up Capital (including share application money)	728	Net Fixed Assets	-
Reserves & Surplus	4337	Investments	-
Secured Loans	-	Net Current Assets	(277)
Unsecured Loans	9240	Miscellaneous Expenditure	-
		Accumulated loss	14583

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (including other income)	9	Total Expenditure	700
+ - Profit Before Tax	(691)	+ - Profit After Tax	(691)
Earning per Share in Rs.	(46.08)	Dividend %	-

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	8524.9
PRODUCT DESCRIPTION	Computer Software
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable
ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Not applicable

Annual Financial Statements of eCapital Solutions (Bermuda) Limited for the year 2004-05 (Unaudited)

Balance sheet at March 31, 2005

(Currency: Indian Rupee)

	Note	2005	2004
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	**151,312,960**	151,312,960
Reserves and surplus	4	**272,423,733**	272,423,733
		423,736,693	423,736,693
APPLICATION OF FUNDS			
Investments	5	**-**	-
Current assets, loans and advances			
Cash and bank balances	6	**92,568**	92,568
Loans and advances	7	**28,948,869**	28,948,869
		29,041,437	29,041,437
Current liabilities and provisions			
Current liabilities	8	**4,847,319**	4,847,319
Net current assets		**24,194,118**	24,194,118
Profit and loss account		**399,542,575**	399,542,575
		423,736,693	423,736,693

The accompanying notes form an integral part of the financial statements.

Profit and Loss Account for the year ended March 31, 2005

(Currency: Indian Rupee)

	Note	2005	2004
INCOME			
Interest income		**-**	-
Other income	9	**-**	-
		-	-
EXPENDITURE			
Operating costs	10	**-**	410,257
Loss for the year before exceptional items		**-**	410,257
Exceptional items	11	**-**	10,219,497
Loss after exceptional items		-	10,629,754
Accumulated losses, brought forward		**3,99,542,575**	388,912,821
Accumulated losses, carried forward		**399,542,575**	399,542,575
Basic and diluted earnings per share		**-**	(1.45)
Number of shares used in computing basic and diluted earnings per share		**7,350,000**	7,350,000

The accompanying notes form an integral part of the financial statements.

For eCapital Solutions (Bermuda) Limited

Place : Mumbai
Date : June 29, 2005

Director Director

Notes to the financial statements for the year ended March 31, 2005

(Currency: Indian Rupee)

1 Background

eCapital Solutions (Bermuda) Limited ('EB'), was incorporated in Bermuda in December 1998 as a 100 % subsidiary of eCapital Holdings (Bermuda) Limited ('EH'). On 12 April 2000, EH sold its 100% interest in EB, to Trigyn Technologies Limited ('TTL'), a public limited company incorporated in India, as a result of which EB became a wholly owned subsidiary of TTL. The primary objective of EB is to hold investments in its majority owned subsidiaries.

The majority owned subsidiaries of EB are primarily engaged in the business of providing software solutions and consultancy services in India, United States of America and Europe.

On 1 October 2001, EB acquired balance 49% equity stake representing 29,400 equity shares in its subsidiary Trigyn Technologies U.K ('TTUK') for consideration aggregating GBP 1 resulting in TTUK becoming a wholly owned subsidiary of EB. On 16 April 2002 the management of TTUK decided to wind up its operations and filed for liquidation.

On 30 May 2002, the Board of Directors of eVector (Cayman) Limited (EVCL), a wholly owned subsidiary of the Company, together with EVCL's preference shareholder and the Company decided to wind up EVCL and its subsidiaries' operations (refer note 11).

2 Principal accounting policies

2.1 Basis of preparation of financial statements

(a) These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Indian Companies Act, 1956 as applicable to bodies corporate.

(b) These financial statements have been prepared for the purpose of compliance with the provisions of section 212 of the Indian Companies Act, 1956 by the holding company i.e. TTL. Accordingly, these financial statements will be attached to the financial statements of TTL as prescribed under Section 212 of the Indian Companies Act, 1956. The balance sheet and profit and loss account of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of compliance with the requirements of section 212 of the Indian Companies Act 1956, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the revised Accounting Standard 11 on Accounting for the effects of changes in foreign exchange rates. No representation is made, that the US dollar amounts have been, could have been or could be converted in to Indian Rupees at such an exchange rate.

(c) The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

(d) The Company has made a net loss, before exceptional items, of Rs NIL (equivalent NIL USD) (2004: loss of Rs 10.63 million (equivalent USD 0.24 million)) for the year ended 31 March 2005 and has accumulated deficit aggregating Rs 399.54 million (equivalent USD 8.60 million) (2004: Rs 399.54 million (equivalent USD 8.60 million)) as at 31 March 2005. In the event, the Company is required to assume the liabilities of its subsidiary TTE, there exists significant uncertainty that the Company will be able to continue as a going concern and, therefore may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

2.2 Interest income

Interest on deployment of surplus funds is recognised using the time proportion method based on the underlying interest rates.

2.3 Investments

Long-term investments are carried at cost, and provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments.

Notes to the financial statements for the year ended March 31, 2005 *(Contd.)*
(Currency: Indian Rupee)

2.4 Provision for taxation

The Company is incorporated in Bermuda where no taxes are payable. Accordingly, the Company has not made provision for taxes in the financial statements.

2.5 Earnings per share

The basic and diluted earnings per share is computed by dividing the loss after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

3	**Share capital**	**2005**	2004
	Authorised share capital		
	9,435,174 (2004: 9,435,174) equity shares of Rs 20 (equivalent USD 0.42) with voting rights	**194,240,000**	194,240,000
	7,076,380 (2004: 7,076,380) equity shares of Rs 21 (equivalent USD 0.44) without voting rights	**145,680,000**	145,680,000
		339,920,000	339,920,000
	Issued, subscribed and paid-up share capital		
	6,049,804 (2004: 6,049,804) equity shares of Rs 20 (equivalent USD 0.42) with voting rights each, fully paid up.	**124,546,105**	124,546,105
	1,300,196 (2004: 1,300,196) equity shares of Rs 20 (equivalent USD 0.42) without voting rights each, fully paid up.	**26,766,855**	26,766,855
		151,312,960	151,312,960

The above equity shares data is presented subsequent to stock consolidation carried out by the Company in March 2001, whereby 31,160,000 outstanding equity shares of the Company were consolidated into 7,350,000 equity shares in a 4.24: 1 ratio.

All the above equity shares of the Company are held by the holding company i.e. TTL.

Of the above, 117,940 (2004: 117,940) equity shares of Rs. 20 (equivalent USD 0.42) each fully paid with a premium of Rs 38 (equivalent USD 0.79) have been allotted for consideration other than cash for acquiring 2 equity shares (representing 100% of issued and paid up share capital) of Trigyn Technologies Europe, GmbH.

Refer note 12 for employee stock options issued by the Company.

4	**Reserves and surplus**		
	Share premium balance	**281,009,437**	281,009,437
	Foreign currency translation reserve	**(8,585,704)**	(8,585,704)
		272,423,733	272,423,733
5	**Investments**		
	Long term investments		
	Trade (unquoted) investment in subsidiaries		
	5,500 (2004: 5,500) equity shares of Rs 47.65 (equivalent USD 1) each fully paid in eCapital Solutions (Mauritius) Limited	**253,157**	253,157
	1,000 (2004: 1,000) equity shares of Rs 0.48 (equivalent USD 0.01) each fully paid in Trigyn Technologies Inc. USA.	**27,617,100**	27,617,100
	60,000 (2004: 60,000) equity shares of Rs 0.75 (equivalent GBP 0.01) each fully paid up in Trigyn Technologies Limited, U.K.	**60,528,260**	60,528,260
	2 (2004: 2) equity shares of Rs 550,750		

Notes to the financial statements for the year ended March 31, 2005 *(Contd.)*
(Currency: Indian Rupee)

		2005	2004
	(equivalent DM 25,000) each fully paid up in Trigyn Technologies Europe, GmbH	**9,882,089**	9,882,089
	15,000,000 (2004: 15,000,000) equity shares of Rs 0.48 (equivalent USD 0.01) each fully paid up in Vector Cayman Limited	**6,904,275**	6,904,275
	Less: provision for decline other than temporary in the value of investments. (refer note 11)	**105,184,881**	105,184,881
		105,184,881	105,184,881
		-	-
6	**Cash and bank balances**		
	Balances with non scheduled banks		
	- In current account		
	The Bank of Bermuda Limited	**92,568**	92,568
		92,568	92,568
	Maximum balance held during the year with above banks		
	- In current account		
	Lloyds TSB	**-**	-
	The Bank of Bermuda Limited	**92,568**	5,661,506
	- In deposit account		
	The Bank of Bermuda Limited	**-**	-
7	**Loans and advances**		
	(unsecured, considered good)		
	Advances for investment in subsidiaries, pending allotment of equity shares		
	- eCapital Solution (Mauritius) Limited	**14,899,563**	14,899,563
	Loans/advances to subsidiaries	**14,049,306**	14,049,306
		28,948,869	28,948,869
	(unsecured, considered doubtful) Advances for investment in subsidiaries, pending allotment of equity shares		
	- eCapital Solution (Mauritius) Limited	**146,994,506**	146,994,506
	- Trigyn Technologies Europe GmbH	**25,282,045**	25,282,045
	Loans/advances to subsidiaries	**83,279,150**	83,279,150
		255,555,701	255,555,701
	Less: Provision for doubtful loans/advances (refer note 11)	**255,555,701**	255,555,701
		-	-
		28,948,869	28,948,869

Loans and advances to subsidiaries includes amount due from Trigyn Technologies Limited, UK aggregating Rs 43,248,747 (equivalent USD 939,608) (2004: Rs 43,248,747 (equivalent USD 939,608)) and amount due from Trigyn Technologies Inc. Rs 52,971,213 (equivalent USD 1,150,835) (2004: Rs 52,971,213 (equivalent USD 1,150,835)), which are companies under the same management as defined under section 370(1B) of the Indian Companies Act, 1956. Maximum amount outstanding from Trigyn Technologies Limited, UK aggregated Rs 43,248,747 (equivalent USD 939,608) (2004: Rs 43,248,747 (equivalent USD 939,608)) and from Trigyn Technologies Inc. aggregated Rs 62,304,392 (equivalent USD 1,207,687) (2004: Rs 62,304,392 (equivalent USD 1,207,687)

		2005	2004
8	**Current liabilities**		
	Sundry creditors	**4,824,305**	4,824,305
	Others	**23,014**	23,014
		4,847,319	4,847,319

Notes to the financial statements for the year ended March 31, 2005 *(Contd.)*
(Currency: Indian Rupee)

Sundry creditors include Rs NIL (2004: Rs 12,492,543 (equivalent USD 262,173) payable to erst while Director. As at 31 March 2005, the Company had no amounts due to small-scale industrial undertakings.

9	**Other income**		
	Exchange gain (net)	-	-
10	**Operating costs**		
	Legal and professional fees	-	330,552
	Bank charges	-	3,610
	Travel and conveyance costs	-	-
	Miscellaneous	-	76,125
		-	410,257

11 Exceptional items

Provision for decline other than temporary in the value of investments in subsidiaries

On the basis of the preliminary evaluation, done in previous years and based on the diminution provided in the investment value of the parent Company, the Company has made a further provision of aggregating Rs 10.22 million (equivalent USD 0.22 million) for 'decline other than temporary' in the carrying value of its investments in its subsidiaries eCapital (Mauritius) Limited ('EM') and Trigyn Technologies, Inc ('TTI'), Trigyn Technologies GmBH and Trigyn Technologies Ltd., UK (put into liquidation). The primary reasons for such decline are attributed to the general downturn in the software services and products business, which may result in loss of certain perceived business synergies.The Company is in the process of performing a detailed evaluation to ascertain whether adjustments are required to record a further decline other than temporary in the carrying value of these investments.

Company's investment in eVector Cayman Limited ('EVCL') aggregate Rs 7,284,000 (equivalent USD 150,000) as at 31 March 2002. On 30 May 2002, the Company, the Board of Directors of EVCL and the EVCL's preference shareholders decided to wind up operations of EVCL and its subsidiaries. In this regard, the Company has entered into a settlement agreement with EVCL and preference shareholder of EVCL, whereby the Company would receive Rs 6.07 million (equivalent USD 125,000) towards Company's contributed share capital in EVCL. Based on the above, the Company has provided for decline other than temporary in respect of the balance investment value aggregating Rs 1.21 million (equivalent USD 25,000) as on March 31, 2002. Provision for advances made to subsidiaries pending allotment of equity shares

Advances for investment in subsidiaries represents amount pending allotment of equity shares in TTE and EM aggregating Rs 26.67 million (equivalent USD 0.55 million) and Rs 181.96 million (equivalent USD 3.74 million) respectively. In respect of advances to TTE, the Company had made provision on March 31, 2002 in respect of the entire amount paid towards subscription of equity share capital aggregating Rs 26.67 million

(equivalent USD 0.55 million). Further, in respect of advances to EM, based on preliminary evaluation, the Company had made a provision of 26% aggregating Rs 47.53 million (equivalent USD 0.98 million). During the year 2003, the Company's Management made an internal valuation of the underlying investments in EM and Trigyn Technologies Inc, USA and decided to make an additional provision in respect of the advances to EM and TTI, aggregating Rs. 162.50 million (USD 0.34 million).

Provisions for doubtful loans and advances

Due to adverse financial conditions of its subsidiary TTI and the winding up of TTUK operations, there exists uncertainty as to realisibility of loans and advances balance due from these subsidiaries. Accordingly, the Company had made provision for doubtful loans and advances during 2003, due from these subsidiaries aggregating Rs 87.86 million (USD 1.81 million).

		Note	**2005**	2004
12	**Supplementary statutory information**			
	(i) Operating costs include auditors remuneration:			
	- Statutory audit fees		-	**32,625**

13 Prior year comparatives

Prior year figures have been appropriately reclassified to conform to current year's presentation.

For eCapital Solutions (Bermuda) Limited

Place : Mumbai
Date : June 29, 2005

Director Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS

Registration No.	NA	State Code	NA
Balance Sheet Date	31.03.2005 (Date Month Year)		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	428584	Total Assets	428584
SOURCES OF FUNDS:		**APPLICATION OF FUNDS:**	
Paid-up Capital (including share application money)	151313	Net Fixed Assets	-
Reserves & Surplus	272423	Investments	-
Secured Loans	-	Net Current Assets	29042
Unsecured Loans	-	Miscellaneous Expenditure	-
		Accumulated loss	399542

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (Total Income) (including other income)	-	Total Expenditure	-
+ - Profit Before Tax	-	+ - Profit After Tax	-
Earning per Share in Rs.	-	Dividend %	-

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	INVESTMENT COMPANY

Annual Financial Statements of eCapital Solutions (Mauritius) Limited for the year 2004-05 (Unaudited)

Balance sheet as March 31, 2005
(Currency: Indian Rupee)

	Note	2005	2004
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	**267,080**	267,080
Share application money		**161,894,064**	161,894,064
Foreign currency translation reserve		**6,584,252**	6,584,252
		168,745,396	168,745,396
APPLICATION OF FUNDS			
Investments	4	-	-
Current assets, loans and advances			
Cash and bank balances	5	**17,342**	17,342
Loans and advances	6	**1,674,701**	1,674,701
		1,692,043	1,692,043
Current liabilities and provisions			
Current liabilities	7	**574,044**	574,044
Net current assets		**1,117,999**	1,117,999
Profit and loss account		**167,627,397**	167,627,397
		168,745,396	168,745,396

Profit and Loss Account for year ended 31, 2005
(Currency: Indian Rupee)

	Note	2005	2004
INCOME			
Other income	8	-	-
		-	-
EXPENDITURE			
Operating costs	9	-	99,680
Loan written off (refer note 6)		-	-
Provision for diminution in value if investments (refer note 10)		-	-
		-	99,680
Profit / (Loss) for the year before prior year adjustments		-	99,680
Prior year adjustment (refer note 6)		-	-
Net profit / (loss) after exceptional and prior-period items		-	99,680
Exceptional items, diminution in value of investments		-	119,696,800
Accumulated losses, brought forward		**(167,627,397)**	(47,830,917)
Accumulated losses, carried forward		**(167,627,397)**	(167,627,397)
Basic and diluted earnings per share		-	(21,781.12)
Number of shares used in computing basic and diluted earnings per share		**5,500**	5,500

The accompanying notes form an integral part of the financial statements.

For eCapital Solutions (Mauritius) Limited

Date: June 29, 2005 Director Director

Notes to the Financial Statement for the year ended March 31, 2005
(Currency: Indian Rupee)

1 Background

eCapital Solutions (Mauritius) Limited ('EM'), was incorporated in Mauritius in December 1998 as a 100 % subsidiary of eCapital Solutions (Bermuda) Limited ('EB'). The primary objective of EM is to hold investments in its majority owned subsidiaries.

The majority owned subsidiary of EM is primarily engaged in the business of providing software solutions and consultancy services in India.

2 Principal accounting policies

2.1 Basis of preparation of financial statements

(a) These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Indian Companies Act, 1956 as applicable to bodies corporate.

(b) These financial statements have been prepared for the purpose of compliance with the provisions of section 212 of the Indian Companies Act, 1956 by the holding company i.e. TTL. Accordingly, these financial statements will be attached to the financial statements of TTL as prescribed under Section 212 of the Indian Companies Act, 1956. The balance sheet and profit and loss account of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of compliance with the requirements of section 212 of the Indian Companies Act 1956, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the revised Accounting Standard 11 on Accounting for the effects of changes in foreign exchange rates. No representation is made, that the US dollar amounts have been, could have been or could be converted in to Indian Rupees at such an exchange rate.

(c) The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

(d) The Company has made a net loss of Rs NIL (equivalent NIL USD) (2004: loss of Rs 119.79 million (equivalent USD 2.75 million)) for the year ended 31 March 2005 and has accumulated deficit aggregating Rs 167.63 million (equivalent USD 3.85 million) (2004: Rs 167.63 million (equivalent USD 3.85 million)) as at 31 March 2005. In order to support its operation, the Company requires external financial support, in absence of which there exists a significant uncertainty that the Company will be able to continue as a going concern and, therefore may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

2.2 Interest income

Interest on deployment of surplus funds is recognised using the time proportion method based on the underlying interest rates.

2.3 Investments

Long-term investments are carried at cost, and provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments.

2.4 Provision for taxation

The Company is incorporated in Mauritius where no taxes are payable. Accordingly, the Company has not made provision for taxes in the financial statements.

2.5 Earnings per share

The basic and diluted earnings per share are computed by dividing the profit/loss after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

Notes to the Financial Statement for the year ended March 31, 2005 *(Contd.)*
(Currency: Indian Rupee)

		2005	2004
3	**Share capital**		
	Authorised share capital 100,000 ordinary shares of Rs. 47.65 (equivalent USD 1) each	**4,856,000**	4,856,000
		4,856,000	4,856,000
	Issued, subscribed and paid-up share capital 5,500 ordinary equity shares of Rs. 47.65 (equivalent USD 1) each fully paid up	**267,080**	267,080
		267,080	267,080
	All the above equity shares of the Company are held by the holding company i.e. EB.		
4	**Investments**		
	Long term investments		
	Trade (unquoted) investment in subsidiary		
	1,471,024 equity shares of Rs. 100 each (equivalent USD 2.10 each (2004: USD 2.10 each) fully paid up in Trigyn Technologies (India) Private Limited	**162,010,000**	162,010,000
	Less: Provision for decline other than temporary in the value of investments. (refer note 10)	**162,010,000**	162,010,000
		-	-
5	**Cash and bank balances**		
	Balances with non scheduled banks		
	- In current account		
	HSBC Limited	**17,342**	17,342
		17,342	17,342
	Maximum balance held during the year with above banks		
	- In current account		
	HSBC Limited	**17,342**	92,921
6	**Loans and advances**		
	(unsecured, considered good) Advances recoverable in cash or in kind or for value to be received	**1,674,701**	1,674,701
		1,674,701	1,674,701

Advance recoverable includes amount recoverable from holding company. Maximum amount outstanding during the year aggregated Rs. 1,674,701 (equivalent USD 36,384) (2004: Rs. 1,674,701(equivalent USD 36,384)

		2005	2004
7	**Current liabilities**		
	Sundry creditors	**261,253**	261,253
	Others	**312,791**	312,791
		574,044	574,044

As at 31 March 2005, the Company had no amounts due to small-scale industrial undertakings.

Notes to the Financial Statement for the year ended March 31, 2005 *(Contd.)*
(Currency: Indian Rupee)

		2005	2004
8	**Other income**		
	Exchange gain (net)	-	-
9	**Operating costs**		
	Legal and professional fees	-	98,375
	Bank charges	-	1,305
		-	99,680

10 Exceptional items

Provision for decline other than temporary in the value of investments in subsidiaries

In the year 2001-2002, on the basis of a preliminary evaluation, the Company had made provision of 26% aggregating Rs 42.31 million (equivalent USD 0.89 million). During the previous year, the Company evaluated the underlying investments and based on the independent valuation of the underlying at the Ultimate Holding Company level, the carrying value of the assets have been subject to further diminution and been fully provided for (2004: Rs 42.31 million (equivalent USD 0.89 million)) for 'decline other than temporary' in the carrying value of its investments in its subsidiary Trigyn Technologies (India) Pvt. Ltd. ('TTIPL'). The primary reasons for such decline are attributed to the general downturn in the software services and products business, which may result in loss of certain perceived business synergies. The Company is also considering various restructuring options.

11 Taxation

The Company was incorporated prior to 1 July 1998 and is subject to tax under the Income Tax Act 1974, as amended. The chargeable income of the Company is subject to income tax in Mauritius at the rate of 0% unless it elects to pay tax at specified rate not exceeding 35%. In the previous year, the Company has not made such an election.

As from the year of Assessment commencing 1 July 2003, the Company will be liable to income tax in Mauritius on its chargeable income at 15%. It will however be entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius Tax on its foreign source income.

12 Supplementary statutory information

	2005	2004
Operating costs include auditors remuneration:		
-Statutory audit fees	-	43,500

13 Prior year comparatives

Prior year figures have been appropriately reclassified to conform to current year's presentation.

For eCapital Solutions (Mauritius) Limited

Date : June 29, 2005 Director Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS:

Registration No.	NA	State Code	NA
Balance Sheet Date	31-03-2005 (Date Month Year)		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS):

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement (including share application money)	NIL

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS):

Total Liabilities	169319	Total Assets	169319
SOURCES OF FUNDS:		**APPLICATION OF FUNDS:**	
Paid-up Capital (Incl. Share Application Money)	162161	Net Fixed Assets	NIL
Reserves & Surplus	6584	Investments	NIL
Secured Loans	NIL	Net Current Assets	1118
Unsecured Loans	NIL	Misc. Expenditure	-
		Accumulated loss	167627

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS):

Turnover (including other income)	NIL	Total Expenditure	NIL
+ - Profit/Loss Before Tax	NIL	+ - Profit /Loss for the year	NIL
Earning per Share in Rs.	NIL	Dividend Rate %	-

(Please tick appropriate box + for Profit, - for Loss)

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS):

ITEM CODE NO. (ITC CODE)	Not applicable
PRODUCT DESCRIPTION	Investment Company

Balance sheet by Account at 31st March 07 **Appendix - 1**

Trigyn Technologies Europe GmbH Unternehmensberatung, Pforzheim

Assets					**Liabilities & Capital**				
		Euro	Financial Year Euro	Prior Year Euro			**Euro**	Financial Year Euro	Prior Year Euro
	Furniture and Fixtures					**Capital**			
690	Office Assets		3,605.00	4,807.00	2900	Registered Capital		25,564.59	25,564.59
	Financial Assets					**Capital Reserves**			
990	Buyback value of Pension insurance		85,238.68	85,238.68	2928	Capital Reserves		609,321.51	609,321.51
	Debtors and other Accounts receivable					**Loss carried forward**			
1200	Debtors	64,163.74		43,281.14	2978	Loss Carried forward		-1,670,973.74	-1,675,009.96
1248	Lumpsum debtors Provsion	-392.00	63,771.74	-392.00					
	Accounts receivable related parties					**Profit of the year**		33,102.30	4,036.22
1260	Open debts of Related parties		3,703.95	3,703.95					
						Loss not covered by Capital carried forward		1,002,985.34	1,036,087.64
	Other Assets								
1300	Other Assets	0.00		246.94					
1350	Caution deposits	1,225.71		1,325.71		**Accrual for Pension and Similar expense**			
1401	VAT 7% deductible	5.12		2.35	3010	Pension Provision		129,885.77	129,885.77
1405	VAT 16% deductible	10,527.50		17,586.34					
1409	VAT 16% deductible EU Supplies	3,154.68		249.78					
1406	VAT 19% deductible	2,230.92		0.00		**Other Provisions & accruals for expense**			
1450	Corporate Income tax claimable	60.38		60.38	3070	Other costs provided for	8,245.00		13,251.00
3805	VAT outwards 16%	-2,317.64		-3,280.59	3095	Provision for Audit	6,300.00	14,545.00	4,950.00
3806	VAT outwards 19%	-827.92		0.00					
3820	VAT Advance	-8,137.75		-11,153.42					
3841	VAT previous year	-2,812.80		0.00					
3836	VAT on EU supplies	0.00	3,108.20	-249.78		**Accounts Payable**			
					3300	Liabilities to Trade Suppliers		21,185.14	14,608.29
	Cash & Bank								
1600	Cash	112.77		25.88					
1840	Dresdner Bank Main Account	36,903.25	37,016.02	48,141.69		**Accounts payable related parties**			
					3400	Liabilities to Trigyn Bangalore	998,613.88		1,025,130.06
	Prepaid Expenses				3402	Liabilities to e-vector	35,931.52	1,034,545.40	35,931.52
1900	Prepaid expenses		0.00	2,060.95					
						Other Liabilities			
					3740	Liabilities Social insurance	0.00		3,986.00
	Loss not covered by Capital carried forward		1,002,985.34	1,036,087.84	3790	Liabilities - payroll	-732.38	-732.38	0.00
	Total of Assets		**1,199,428.93**	**1,227,742.84**		**Total of Capital and Liability**		**1,199,428.93**	**1,227,742.64**

Profit and Loss Statement for the period from 1st April 2006 to 31st March 2007 **Appendix 2**

(last year period : 1st April 2005 to 31st March 2006)

		1.4.2006 - 31.03.2007		1.4.2005 - 31.03.2006	
		Euro	Euro	Euro	Euro
1.	Sales		336,556.00		470,643.50
2.	Increase / reduction in work-in-process inventory		0.00		0.00
			336,556.00		**470,643.50**
3.	Other Operating Income		11,687.28		65,120.67
			348,243.28		**535,764.17**
4.	Material Costs				
	a. Cost of raw materials and supplies and of purchased goods	0.00		0.00	
	b. Cost of purchased services	51,863.90	51,863.90	63,904.28	63,904.28
5.	Personal expenses				
	a. Wages and salaries	180,006.26		292,042.86	
	b. Social security and expenses for pension	41,559.58	221,565.84	75,327.28	367,370.14
6.	Depreciation of tangible fixed assets		1,200.00		2,010.00
7.	Other operating expenses		40,301.80		98,362.45
			32,811.83		**4,117.30**
8.	Interest and similar income		290.47		391.55
9.	Interest and similar charges none of which due to affiltd cos		0.00		9.63
10.	**Result from ordinary activities**		**33,602.21**		**4,499.22**
11.	Other taxes		499.91		463.00
12.	**Net profit for the year**		**33,102.30**		**4,036.22**

Appendix 3

Notes for the financial year from 1st April 2006 to 31st March 2007

Preliminary comments

"Under the terms of a declaration dated 12th April 2002, the sole shareholder - eCapital Solutions (Bermuda) Ltd. - agreed to guarantee the company's dues payable to Trigyn Technologies (India) Pvt. Ltd., Bangalore, amounting to 998,613,88 to prevent an overindebtedness in the sense of insolvency law. Furthermore, all amounts due by the company to the sole shareholder, at the present time and at any time in the future, are placed behind the claims of all the company's other creditors. As of balance sheet date, the shareholder currently has no dues from Trigyn Technologies Europe GmbH, Pforzheim." This comment included in last year's report and in that of the foregoing 3 years is still valid, with the exception of the preliminary comment "to prevent an overindebtedness in the sense of insolvency law ", as despite the assumption of the debts, a case of debt overload under insolvency law is still applicable (ref. Other Information).

Accounting and valuation principles; foreign currency conversion

Tangible fixed assets are stated at acquisition cost less scheduled depreciation. The reducing-balance depreciation method has been applied insofar as this is permissible for taxation purposes.

Depreciation is calculated in accordance with the tax simplification rule R 44(2) EStR (German Income Tax Regulations), partly using the reducing-balance method and partly using the straight-line method, on the basis of the German income tax depreciation tables. Minor value assets are depreciated in full in the year of acquisition.

The financial assets represent the reinsurance cover asset value advised by the insurance company.

Receivables and other assets are stated at their nominal value less provisions as required. A general provision for bad and doubtful debts has been recorded in respect of trade accounts receivable to cover overall credit risks.

Pension provisions have been determined in accordance with § 6a EStG (German Income Tax Law) on the basis of an actual valuation, assuming that the company is a going concern and using an interest rate of 6%.

Other provisions and accruals take into account all uncertain liabilities, losses and risks in respect of the financial year, which became known up to the time of preparation of the annual financial statements

Payables are stated at the amounts to be paid.

Receivables and payables in foreign currency are recorded at the rate of exchange on the date of transaction. Exchange losses arising upto the balance sheet date that would have to be considered in terms of a permanent impairment of value, were not applicable.

Explanatory comments on the balance sheet

1. **Fixed assets**

   The composition and the development of the fixed assets in the financial year 2006/2007 are set out in the appendices to these notes.

2. **Receivables**

   All receivables and other assets fall due in less than one year. Amounts due from affiliated companies consist exclusively of trade accounts receivable.

3. **Payables**

   All payables fall due in less than one year. The general reservation of ownership applies to some portion of the trade accounts payable. Amounts due to affiliated companies consist exclusively of trade accounts payable.

Other information

Information for a better understanding of the net worth, financial and earnings position

The balance sheet, statement of loss and gain and appendices, as per legal regulations, reflect the actual economic situation of the company.

The balance sheet based on the going concern principle is justified by the positive future Prognosis despite the overindebtedness according to the Insolvency law since a reevaluation according to liquidation based accounts would only change 2 positions therein with barely any major consequence (ref. earlier comment).

Managing Director

Dr. Bhaskar Sanyal, Keltern

Management Declaration

The company's financial statements are included in the consolidated financial statements of Trigyn Technologies Limited, Mumbai, India,(top level consolidation), and before that will be included in the consolidated financial statements (intermediate level company consolidation) of eCapital Solutions (Bermuda) Ltd.

Pforzheim, 26th April 2007

Trigyn Technologies Europe GmbH, Pforzheim

The Management

Appendix 4

Economic status of the company

The company's business consists of selling of software licenses and providing services in the IT sector.

The software licenses are acquired by Trigyn from Trigyn Technologies Limited, Mumbai or Trigyn Technologies (India) Pvt. Ltd., Bangalore, for sale. These licenses relate to telecommunications and e-commerce software. The two most important software products are: Appollo, a billing and customer care solution in the telecommunication area and Akcelo, an e-commerce software development tool.

The company's services consist, on one hand, of IT personnel resources services and, on the other hand, the company produces customer-specific software. The company in connection with the personnel resources services mostly engages Indian IT engineers.

On 1st January 2000 and 1st April 2000 framework contracts were signed with Trigyn Technologies (India) Pvt. Ltd. (formerly eCapital Solutions, India Pvt. Ltd.):

a) Trigyn Technologies (India) Pvt. Ltd. will, on demand, make its own personnel available to the company at short notice.

b) Under the terms of the framework contract, the company sub-contracts software production to Trigyn Technologies (India) Pvt. Ltd.

Similar contracts were signed with Trigyn Technologies Limited in April 2004 for equivalent services as an alternate to Trigyn Bangalore.

The relevant costs for both services have been included in the purchased services.

The company had 3 employees at the balance sheet date. All of these employees were Indian engineers in the personnel resource division.

The company conducts its business in rented offices in Pforzheim.

Legal status of the company

Formation	20th February 1995 (as d+s consult Dreller und Sanyal Unternehmensberatungs-GmbH)
Name	Trigyn Technologies Europe GmbH
Registered Office	Pforzheim
Articles of Association	The currently valid articles of association are dated 11th September 2000
Commercial Register	Pforzheim, department B, reference number 3752.
Objectives	Research, development, construction, industrial manufacture, particularly in the capacity of general contractor whereby manual work is carried out by third parties, and the sales of communication-technological products of every kind (hard-ware and software), especially software technology, software development, system integration and business consultancy of all types, insofar as this does not require any special legal permit, for the most part in Europe.
Financial year	In connection with the amendment of 11th September 2000 to the articles of association, the financial year was changed. The financial year starts on 1st April and ends on 31st March.
Subscribed capital	DM 50000,00 = € 25564,59
Share capital ownership	The company is a 100% subsidiary of eCapital Solutions (Bermuda) Limited, Hamilton, Bermuda.
Proposed appropriation	Management will propose at the shareholders' meeting that the retained losses amounting to € 1,637,871,44 as of 31st March 2007 are carried forward to the next financial year.
Last year's financial statements	At the shareholder's meeting on 15th April 2006
Company's size	The company is a small company as defined in § 267 (1) HGB.
Affiliated companies	The company is included via its sole shareholder eCapital Solutions (Bermuda) Limited, Hamilton, Bermuda, in the consolidated financial statements of Trigyn Technologies Limited, Mumbai.
Managing Directors	The composition of management is set out in the company's notes to the annual financial statements.
	The notes include the information required by § 285 No. 10 HGB. The information required by § 285 No. 9 HGB has not yet been disclosed as permitted by § 286 (4) HGB.
Tax status	The company has not yet been subject to an external audit by the tax authorities.

Auditors' report on Consolidated Financial Statements

To the Board of Directors
Trigyn Technologies Limited

1. We have audited the attached Consolidated Balance Sheet of **Trigyn Technologies Limited** ('the Company') and its subsidiaries, (the Company and its subsidiaries constitute 'the Group') as at March 31, 2007, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (together referred to as the consolidated financial statements). These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 statements. We believe that our audit provides a reasonable basis for our opinion.
3. *We did not audit the financial statements of certain subsidiaries, namely Trigyn Technologies Limited, Reading, UK, eVector (Cayman) Limited and its 100% subsidiaries in UK, USA and India, eCapital Solutions (Mauritius) Limited and eCapital Solutions (Bermuda) Limited, whose financial statements reflect total assets of Rs. 66,002 thousands as at March 31, 2007, the total revenues of Rs. Nil and net cash inflows amounting to Rs. Nil for the year ended on that date. These financial statements have been incorporated in the consolidated financial statements on the basis of unaudited financial statements as provided and certified by the management of the said subsidiaries. Further, as stated in note 3 (i) to schedule 17, all of these financial statements are of periods prior to March 31, 2007. We are therefore unable to comment on the impact, if any, arising out of these unaudited financial statements on the consolidated financial statements.*
4. We did not audit the financial statements of one of the subsidiaries, Trigyn Technologies Europe Gmbh, Pforzheim, Germany, whose financial statements reflect total assets of Rs. 11,380 thousands as at March 31, 2007, the total revenues of Rs. 19,475 thousands and net cash outflows amounting to Rs. 451 thousands for the year ended on that date, which have been audited by other auditor, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of this subsidiary, is based solely on the report of the other auditor.
5. As stated in note 11 to schedule 17, the Group has not fully complied with the requirements of Accounting Standard (AS) 17 'Segment Reporting' issued by The Institute of Chartered Accountants of India.
6. *Attention is invited to note 3 (iii) to schedule 17 to the consolidated financial statements with respect to adjustments carried out in the unaudited consolidated financial statement for the financial year ended March 31, 2005 for the purpose of preparation of the consolidated financial statements.*
7. Attention is invited to note 2.2 to schedule 17 to the consolidated financial statements with regard to the financial statement having been prepared on a going concern basis for the reasons stated therein.
8. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.
9. *Subject to what is stated in paragraphs 3 to 7 above*, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements, read with the notes thereon, 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 Group as at March 31, 2007;
   b) in the case of the consolidated profit and loss account, of the profit of the Group for the year ended on that date; and
   c) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For **RSM & Co.**
Chartered Accountants

Vilas Y. Rane
Partner
Membership No: F-33220
Place: Mumbai
Date: August 14, 2007

Consolidated Balance Sheet as at March 31, 2007

	Schedule	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	**249,609,860**	198,498,750
Share application money	2	**8,497,500**	397,500
Reserves and surplus	3	**6,600,782,879**	6,568,489,148
		6,858,890,239	6,767,385,398
Minority interest (Refer note 4 to schedule 17)		**347,106,880**	347,106,880
Loan funds	4		
Secured loans		**—**	219,169,771
Unsecured loans		**7,167,600**	5,583,747
		7,167,600	224,753,518
		7,213,164,719	7,339,245,796
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	**294,761,844**	288,294,909
Less: Accumulated depreciation		**270,384,201**	265,515,772
Net block		**24,377,643**	22,779,137
Capital work-in-progress		**4,125,962**	—
		28,503,605	22,779,137
Investments	6	**5,041,477**	4,696,260
Current assets, loans and advances			
Unbilled receivables		**4,505,939**	12,185,345
Sundry debtors	7	**179,945,120**	105,377,478
Cash and bank balances	8	**172,523,142**	110,727,729
Loans and advances	9	**23,234,643**	22,615,216
		380,208,844	250,905,768
Less: Current liabilities and provisions			
Current liabilities	10	**164,330,464**	313,228,418
Provisions	11	**5,768,304**	3,559,682
		170,098,768	316,788,100
Net current assets / (liabilities)		**210,110,076**	(65,882,332)
Miscellaneous expenditure (to the extent not written off or adjusted)	12	**—**	463,800
Profit and loss account		**6,969,509,561**	7,377,188,931
		7,213,164,719	7,339,245,796
Notes to the accounts	17		

As per our report of even date attached

For RSM & Co.
Chartered Accountants

Vilas Y. Rane
Partner (F-33220)

Place: Mumbai
Date: August 14, 2007

For and on behalf of the Board

Sanjay A. Patkar
Chairman

R. Ganapathi
Executive Director

Milind Telawane
Finance Controller

Rajesh Shirambekar
Company Secretary

Consolidated Profit and Loss Account for the year ended March 31, 2007

	Schedule	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Income			
Software and Consultancy Services		**1,030,583,398**	467,457,411
Other Income	13	**24,371,616**	36,534,942
		1,054,955,014	503,992,353
Expenditure			
Personnel costs	14	**731,210,310**	236,971,476
Depreciation	6	**5,577,863**	7,097,961
Finance charges	15	**1,515,290**	66,318,341
Other costs	16	**253,796,215**	269,160,171
		992,099,678	579,547,949
Profit / (Loss) for the year before tax, prior period and extraordinary adjustments		**62,855,336**	(75,555,596)
Less: Provision for taxation			
- Income tax provision		**933,159**	106,529
- Fringe benefit tax		**346,656**	226,201
Profit / (Loss) for the year after tax and before extraordinary and prior period adjustments		**61,575,521**	(75,888,326)
Less: Prior Period expenses		**—**	664,312
Less: Prior period adjustments - Amortisation of Goodwill		**—**	479,423,600
Add: Extra-ordinary adjustments (Refer Note 6 to Schedule 17)		**346,103,849**	—
Profit / (loss) for the year		**407,679,370**	(555,976,238)
Accumulated loss, brought forward		**(7,377,188,931)**	6,821,212,693
Accumulated loss, carried forward		**(6,969,509,561)**	(7,377,188,931)
Earning per share before extraordinary adjustments			
- Basic earnings per share (Face value of Rs. 10 each, refer note 10 to schedule17)		**2.69**	**(5.11)**
- Diluted earnings per share (Face value of Rs. 10 each, refer note 10 to schedule 17)		**2.41**	**(5.07)**
Earning per share after extraordinary adjustments			
- Basic earnings per share (Face value of Rs. 10 each, refer note 10 to schedule17)		**17.84**	**(37.44)**
- Diluted earnings per share (Face value of Rs. 10 each, refer note 10 to schedule 17)		**15.98**	**(37.12)**
Notes to the accounts	17		

As per our report of even date attached

For RSM & Co. Chartered Accountants	**For and on behalf of the Board**	
Vilas Y. Rane Partner (F-33220)	**Sanjay A. Patkar** Chairman	**R. Ganapathi** Executive Director
Place: Mumbai Date: August 14, 2007	**Milind Telawane** Finance Controller	**Rajesh Shirambekar** Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2007

	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Profit / (Loss) for the year before tax and after extraordinary adjustments	**408,959,185**	(555,643,508)
Adjustments for:		
Interest income	**(3,009,919)**	(1,208,679)
Income from Trade Investments	**(14,000)**	(14,000)
Provision for doubtful debts/advances to debtors / employees	**—**	(3,245,807)
Depreciation and amortization	**6,041,663**	7,412,161
Amortization of Goodwill	**—**	479,423,600
Interest written back (Refer note 6 to Schedule 17)	**(153,546,371)**	—
Loan written back (Refer note 6 to Schedule 17)	**(192,557,478)**	—
Profit on sale of fixed assets (net)	**(124,000)**	(25,000)
Interest Cost	**460,311**	66,211,239
Operating (loss)/profit before working capital changes	**66,209,391**	(7,089,994)
Changes in:		
(Increase)/Decrease in Sundry Debtors	**(66,888,236)**	(49,692,080)
(Increase)/Decrease in Loans and advances	**(990,545)**	(1,067,329)
Increase/(Decrease) in Current Liabilities and Provisions	**45,868,146**	52,711,397
Cash (used in) / generated from operations	**44,198,756**	(5,138,006)
Direct tax paid (net)	**(908,698)**	(2,204,357)
Net cash (used in) / generated from operations (A)	**43,290,058**	(7,342,363)
Cash flow from investing activities		
Proceeds from sale of fixed assets	**124,000**	25,000
Purchase of fixed assets	**(11,302,331)**	(601,596)
Purchase of investments	**(345,217)**	(246,590)
Interest Received	**3,009,919**	1,288,121
Dividend Received	**14,000**	14,000
Net cash (used) /generated in investing activities (B)	**(8,499,629)**	478,935
Cash flow from financing activities		
Interest paid	**(193,017,788)**	(84,958)
Interest written back (Refer note 6 to Schedule 17)	**192,557,478**	—
Proceeds from fresh issue of equity shares	**136,500,000**	—
Proceeds from share application money	**8,100,000**	—
Repayment of preference share capital	**(50,000,000)**	—
Repayment of loans	**(217,585,918)**	(17,496,025)
Loan written back (Refer note 6 to Schedule 17)	**153,546,371**	—
Net Cash (used in)/generated from financing activities (C)	**30,100,142**	(17,580,983)
(Decrease)/ Increase in cash and cash equivalents (A+B+C)	**64,890,572**	(24,444,411)
Adjustments on account of currency translation reserve	**(3,095,159)**	3,029,010
Cash and cash equivalents at the beginning of year	**110,727,729**	132,143,130
Cash and cash equivalents at the end of year	**172,523,142**	110,727,729

Note:

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 'Cash flow statements' issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents as at the year end consist of cash and cheques on hand Rs.42,058 (2006: Rs.79,355) and bank balances in current account Rs.138,603,579 (2006: Rs.103,601,973) and in deposit account Rs.33,877,505 (2006: Rs. 7,046,401).

As per our report of even date attached

For RSM & Co.
Chartered Accountants

For and on behalf of the Board

Vilas Y. Rane
Partner (F-33220)

Sanjay A. Patkar
Chairman

R. Ganapathi
Executive Director

Place: Mumbai
Date: August 14, 2007

Milind Telawane
Finance Controller

Rajesh Shirambekar
Company Secretary

Schedules to the financial statements for year ended March 31, 2007

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 1. Share capital		
Authorised		
35,000,000 (2006: 20,000,000) equity shares of Rs 10 each.	**350,000,000**	200,000,000
5,000,000 (2006: 5,000,000) preference shares of Rs 10 each.	**50,000,000**	50,000,000
	400,000,000	250,000,000
Issued, subscribed and paid-up		
24,960,986 (2006: 14,849,875) equity shares of Rs 10 each fully paid-up.	**249,609,860**	148,498,750
Nil (2006: 5,000,000) cumulative redeemable preference shares of Rs 10 each fully paid-up.	**—**	50,000,000
Total	**249,609,860**	198,498,750

Of the above, 5,251,666 (2006: 5,251,666) equity shares of Rs 10 each fully paid-up have been issued as bonus shares by capitalisation of share premium.

Of the above, 7,350,000 (2006: 7,350,000) equity shares of Rs 10 each fully paid-up with a premium of Rs 815 have been allotted to eCapital Holding (Bermuda) Limited for consideration other than cash for acquiring 7,350,000 equity shares (representing 100% of issued and paid up share capital) of eCapital Solutions (Bermuda) Limited.

During the year 5,000,000 (2006: Nil) cumulative redeemable preference shares of Rs 10 each fully paid-up issued and alloted to Oriental Bank of Commerce (earlier known as Global Trust Bank) have been redeemed in full consequent to One Time Settlement of all outstanding dues with the said Bank.

Refer note 8 to schedule 17 for Employee Stock Options granted by the Company.

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 2. Share application money		
Application money under Employees stock option plan ('ESOP')	**397,500**	397,500
Warrant Application money	**8,100,000**	—
Total	**8,497,500**	397,500

(The Company, on June 16, 2006 has allotted 60,00,000 share warrants at a price of Rs.13.50 each on preferential basis. The holder of the warrants shall be entitled for one equity share at a price of Rs.13.50 against each warrant any time within 18 months from the date of allotment. The said warrants are outstanding as of March 31, 2007.)

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 3. Reserves and surplus		
Share premium account		
- Balance at the beginning of the year	**6,538,364,825**	6,538,364,825
- Addition on issue of shares	**35,388,890**	—
- Balance at the end of the year	**6,573,753,715**	6,538,364,825
Employee stock options outstanding		
- Balance at the beginning of the year	**2,762,980**	2,775,135
- Addition on issue of stock options	**—**	—
- Reversal on forfeiture of stock options	**—**	(12,155)
- Balance at the end of the year	**2,762,980**	2,762,980
Foreign Exchange Translation Reserve	**24,266,184**	27,361,343
Total	**6,600,782,879**	6,568,489,148

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 4. Loan funds		
Secured loans		
Term loans from bank	**—**	216,046,371
From ex-officer	**—**	3,123,400
Total	**—**	219,169,771
Unsecured loans		
From ex-officer	**3,040,800**	—
From others	**4,126,800**	5,583,747
Total	**7,167,600**	5,583,747
Total	**7,167,600**	224,753,518

Schedule 5. Fixed assets (At cost)

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As on 1-Apr-06	Additions during the year	Deletion during the year	As on 31-Mar-07	Upto 1-Apr-06	For the year	Deletion during the year	Upto 31-Mar-07	As on 31-Mar-07	As on 31-Mar-06
Tangible assets										
Buildings (Note 1)	6,449,503	—	—	6,449,503	2,511,779	363,834	—	2,875,613	3,573,890	3,937,724
Leasehold Improvements	113,158,965	1,608,896	—	114,767,861	99,182,313	4,177,203	—	103,359,516	11,408,345	13,976,652
Computers & Peripherals	117,101,019	1,508,130	133,486	118,475,663	113,895,312	444,053	130,702	114,208,663	4,267,000	3,205,707
Office Equipments	17,204,320	808,027	4,114	18,008,233	16,285,137	164,701	23,390	16,426,448	1,581,785	919,183
Furniture & fixtures	5,552,256	1,333,128	4,771	6,880,613	5,312,385	184,996	3,283	5,494,098	1,386,515	239,871
Motor Vehicles	434,059	—	434,059	—	434,059	—	434,059	—	—	—
Intangible assets										
-Computer Software (Note: 2)	28,394,787	1,903,184	118,000	30,179,971	27,894,787	243,076	118,000	28,019,863	2,160,108	500,000
Total	**288,294,909**	**7,161,365**	**694,430**	**294,761,844**	**265,515,772**	**5,577,863**	**709,434**	**270,384,201**	**24,377,643**	**22,779,137**
Previous year	287,859,225	601,596	165,912	288,294,909	258,588,100	7,097,961	170,289	265,515,772	22,779,137	

Note 1: Building includes value of properties in Co-operative societies including shares of respective societies.

Note 2: Computer software includes Rs.41,872 on account of foreign currency fluctuation

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 6. Investments		
Long term investments (at cost)		
Non - trade (unquoted) investments		
100 equity shares (2006: 100) of Rs.36 each fully paid up in Bombay Mercantile Co-operative Bank Limited	**3,600**	3,600
Buyback Value of Pension Insurance	**4,937,877**	4,592,660
10.000 equity shares (2006: 10,000) of Rs.10 each fully paid up in North Kanara GSB Co-operative Bank Limited	**100,000**	100,000
	5,041,477	4,696,260
100,000 shares (2006: 100,000) of $0.01 each fully paid up of Empowertel Systems, each fully paid up	**485,600**	485,600
Less: Provision for decline other than temporary in value of investment	**485,600**	485,600
	—	—
Total	**5,041,477**	4,696,260
Schedule 7. Sundry debtors		
(Unsecured, considered good, unless otherwise stated)		
Debts over six months		
- considered good	**13,494,332**	1,622,205
- considered doubtful	**231,706,867**	229,274,814
Other debts		
- considered good	**166,450,788**	103,755,273
- considered doubtful	**22,709**	21,121
	411,674,696	334,673,413
Less: Provision for doubtful debts	**231,729,576**	229,295,935
Total	**179,945,120**	105,377,478
Schedule 8. Cash and bank balances		
Cash on hand	**42,058**	7,855
Cheques on hand	**—**	71,500
Balances with scheduled banks		
- in current account	**61,376,442**	17,448,653
- in deposit account	**33,877,505**	7,046,401
	95,296,005	24,574,409
Balances with non scheduled banks	**77,227,137**	86,153,320
Total	**172,523,142**	110,727,729

As more fully explained in note 2.2 to schedule 17, the eVector Group is in the process of winding up its operations. Accordingly, the above cash and bank balance include amounts held by the eVector Group aggregating Rs.57,326,577. This balance would be utilised by the eVector Group for meeting its liquidation related expenses, recurring operating expenses for the period from the balance sheet date until the date of liquidation, payment of its outstanding liabilities and payment of Rs.6.07 million to eCapital Solutions (Bermuda) Limited, ('EB') in relation to EB's contribution towards share capital in EVCL. The balance cash surplus would be repaid to the preference stockholders of eVector (Cayman) Limited ('EVCL').

As more fully explained in note 2.2 to schedule 17, Trigyn Technologies Limited, Reading, UK (TTUK) has been placed in insolvent voluntary liquidation. Accordingly,the above cash and bank balance includes amount held by TTUK aggregating Rs.674,303 for the purposes of meeting its liquidation related expenses and payment of outstanding liabilities.

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 9. Loans and advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind for value to be received	**13,905,943**	6,578,358
Loans and advances to employees	**4,968,206**	4,792,058
Deposits	**1,254,437**	7,767,625
Advance taxes	**3,106,057**	3,477,175
(net of provision for tax Rs. 3,896,945 (2006: Rs. 2,665,261)		
	23,234,643	22,615,216
(Unsecured considered doubtful)		
Loans and advances to employees	**1,016,528**	5,032,328
Advance for purchase of fixed asset	**1,342,893**	1,342,893
Less: Provision made for advances	**2,359,421**	6,375,221
	—	—
Total	**23,234,643**	22,615,216

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 10. Current liabilities		
Sundry creditors	**53,699,995**	73,297,429
Unclaimed dividend		
- Amount to be deposited with Investor Education and Protection Fund	**380,061**	164,478
- Others	**109,241**	324,824
Other liabilities	**110,141,167**	109,441,687
Interest accrued but not due on term loans	**—**	130,000,000
Total	**164,330,464**	313,228,418

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 11. Provisions		
Provision for leave encashment and gratuity costs	**5,768,304**	3,559,682
Total	**5,768,304**	3,559,682

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Schedule 12. Miscellaneous expenditure		
(to the extent not written off or adjusted)		
Loan origination costs	**463,800**	773,000
Less: written off during the year	**463,800**	309,200
	—	463,800
Preliminary expenses	**—**	5,000
Less: written off during the year	**—**	5,000
	—	—
Total	**—**	463,800

Schedules to the financial statements for year ended March 31, 2007 *(contd.)*

	For the year ended March 31, 2007 Rs.	For the year ended March 31, 2006 Rs.
Schedule 13. Other income		
Interest on deposits with banks	**2,909,162**	1,136,986
(Tax Deducted at Source Rs.431,549, 2006: Rs.220,939)		
Interest on income tax refund	**100,757**	71,693
Lease rental income	**14,088,176**	25,708,122
Provision for earlier years, no longer required, written back	**—**	3,245,807
Royalty income	**—**	3,714,101
Profit on sale of fixed assets	**124,114**	25,000
Dividend from non trade investments	**14,000**	14,000
Exchange gain (net)	**4,327,942**	—
Miscellaneous income	**2,807,465**	2,619,233
Total	**24,371,616**	36,534,942
Schedule 14. Personnel costs		
Salaries, bonus and overseas allowances	**718,616,688**	211,739,549
Contribution to provident and other funds	**5,619,743**	18,179,340
Gratuity and leave encashment costs	**2,785,409**	1,580,184
Staff welfare	**718,543**	397,342
Sales commission	**3,469,927**	5,087,216
Employee stock option expenses, net of forfeiture of options	**—**	(12,155)
Total	**731,210,310**	236,971,476
Scheule 15. Finance charges		
Interest		
- On term loans*	**—**	66,126,281
- Others	**460,311**	84,958
Bank and other finance charges	**1,054,979**	107,102
Total	**1,515,290**	66,318,341

* Includes Rs. Nil (2006: Rs. 32,500,000) provided for in lieu of preference dividend for 2006.

Schedule 16. Other costs		
Consultancy charges	**195,721,965**	207,380,850
Provision for doubtful debts / advances	**3,830,294**	—
Bad Debts	**22,942**	—
Rent, rates and taxes	**7,247,394**	15,953,200
Electricity charges, power and fuel	**1,192,617**	1,159,646
Travel and conveyance costs	**11,771,814**	19,355,029
Legal and professional fees	**15,756,909**	10,508,194
Communication expenses	**2,120,192**	2,682,802
Insurance	**3,249,102**	2,283,466
Repairs and maintenance	**643,659**	585,305
Exchange loss (net)	**2,286,966**	1,840,142
Amortisation of miscellaneous expenditure	**463,800**	314,200
Miscellaneous expenses	**9,488,561**	7,097,337
Total	**253,796,215**	269,160,171

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007

Schedule 17

1. Background

Trigyn Technologies Limited (TTL or 'the Company' or 'the Parent Company') was incorporated on March 25, 1986 under the Indian Companies Act, 1956, with its registered office in Mumbai, India. The Company made an initial public offering in India in January 1995 and is presently listed on the Mumbai, National, and Ahmedabad Stock Exchanges. TTL is the holding company of the Trigyn Group of companies.

TTL is primarily engaged in the development of customised applications and client server custom engineered solutions, principally for customers in the banking and financial services, telecommunications and e-business segments.

TTL has a software development centre in Mumbai, India ('the Head Office'). In 1997, the Company established a wholly owned subsidiary, Leading Edge Infotech Limited ('LEI'), which is engaged primarily in providing software services for the financial services market in India.

In April 2000, the Company allotted 7,350,000 equity shares of Rs 10 each to eCapital Holding (Bermuda) Limited ('EH'), in consideration for acquiring 7,350,000 equity shares of eCapital Solutions (Bermuda) Limited ("EB"), which became a wholly owned subsidiary of TTL. EB through its various subsidiaries is engaged in the business of developing software products and providing software solutions in the areas of telecommunication and financial services. EB through its subsidiaries has direct business and operational presence in Germany, United States of America and India.

In September 2000, Trigyn Technologies (India) Private Limited, a wholly owned subsidiary of TTL (acquired by TTL as part of the EB acquisition), hived off eVector, a software product, into a separate company eVector (India) Private Limited ('EVIPL'), with eVector (Cayman) Limited ("EVCL") as its holding company. EVCL is presently a wholly owned subsidiary of EB with external investors having subscribed towards preference share capital in this company. EVIPL is engaged in the business of developing and marketing eVector.

On 1 January 2001, TTL acquired 100% equity stake in Applisoft Inc. ('Applisoft'), a company based in California, USA for cash consideration aggregating USD 9 million (Rs 421.6 million). Applisoft is engaged in the business of providing software-consulting services, predominantly focused on clients in the West Coast of United States of America.

In June 2001, EVCL incorporated eVector UK Limited (EUL) as a 100% subsidiary in Reading, UK. EUL is engaged in the business of marketing eVector and providing software consulting services.

EB held 51% stake in Trigyn Technologies Limited, UK ('TTUK'). In October 2001, EB acquired the balance 49% equity stake in TTUK for consideration in cash aggregating Rs 69.26 (GBP 1), thereby making it a 100% subsidiary. Subsequently on 16 April 2002, TTUK has been referred for voluntary liquidation, since the business under TTUK was not viable and the business of the TTUK has been serviced and further developed by a branch of TTIPL.

On 30 May 2002, the Board of Directors of EVCL together with its equity and preference shareholders decided to wind up the operation of EVCL and its subsidiaries i.e. EVIPL, eVector Inc. ('EI') and EUL.

List of subsidiaries is summarized below:

Subsidiaries	Country of incorporation and other particulars	Percentage of holding (%)
eCapital Solutions (Bermuda) Limited, ('EB')	A subsidiary of TTL organised under the laws of Bermuda.	100
Applisoft, Inc., ('Applisoft')	A subsidiary of TTL organised under the laws of California, USA.	100
Leading Edge Infotech Limited, ('LEI')	A subsidiary of TTL incorporated under the laws of India.	100
Trigyn Technologies Inc., ('TTI')	A subsidiary of EB organised under the laws of Delaware, USA.	100
eCapital Solutions (Mauritius) Limited, ('EM')	A subsidiary of EB organised under the laws of Mauritius.	100

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

Subsidiaries	Country of incorporation and other particulars	Percentage of holding (%)
Trigyn Technologies (India) Private Limited, ('TTIPL')	A subsidiary of EM incorporated under the laws of India.	100
Trigyn Technologies Europe Gmbh, Pforzheim, Germany ('TTE')	A subsidiary of EB organised under the laws of Germany.	100
Trigyn Technologies Limited, Reading, UK (TTUK)	A subsidiary of EB organised under the laws of UK	100
eVector (Cayman) Limited, ('EVCL') and its 100% subsidiaries in UK, USA and India.	A subsidiary of EB organised under the laws of Cayman Islands.	100 *

The TTUK and EVCL and its 100% subsidiaries are being subject to voluntary liquidation. Accordingly, these companies financials are prepared under liquidation basis of accounting.

* Refer note 3 for issue of Class A Preferred stock by EVCL.

2. Principal accounting policies

2.1 Basis of preparation of consolidated financial statements and principles of consolidation

The consolidated financial statements of TTL and its subsidiaries (as listed in note 1 above), collectively referred to as the "Trigyn Group" or the "Group" have been prepared under the historical cost convention except for the separate financial statements of EVCL and its subsidiaries which have been prepared under liquidation basis of accounting (for details refer note 2.2 below). Trigyn Technologies Limited, UK has been put under voluntary liquidation proceedings and the financials of this subsidiary presented herein have been prepared under liquidation basis of accounting. These consolidated financial statements have been prepared in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India ('ICAI') and on the basis of the separate audited financial statements of TTL and its subsidiaries included in the consolidated financial statements, to the extent mentioned here before as well as EB and EM, which have been relegated to the status of non-performing companies. All income and expenditure having a material bearing on the financial statements are recognised on the accrual basis.

The financial statements of the Parent Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated unless cost to the Group cannot be recovered. The amounts shown in respect of accumulated losses/reserves comprise the accumulated losses/reserves as per the Balance Sheet of the Parent Company and its share in the post acquisition increase in the relevant accumulated losses/reserves of its subsidiaries.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying consolidated financial statements.

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

2.2 Going concern

These consolidated financial statements have been prepared assuming that the Trigyn Group will continue as a going concern despite negative net worth. Management believes that the Parent Company and its subsidiaries will be able to finance their operations and meet the commitments including commitments given to support all its subsidiaries other than TTUK, TTE and Applisoft, from internal cash generation in the foreseeable future, given the various options it is pursuing in this regard. Further, the Company has issued preferential shares to a strategic investor M/s. United Telecoms Limited and settled its dues payable to Oriental Bank of Commerce in full through One Time Settlement with the said bank during this financial year. Now, the Company has become completely debt free and also in a position to meet it's working capital and / or capex requirements in future from its operating revenues. Accordingly, these consolidated financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might result should the Parent Company or any of its subsidiaries be unable to continue as a going concern, except for the separate financial statements of EVCL and its subsidiaries i.e. EVIPL, EI and EUL ('collectively referred to as the eVector Group'), as well as TTUK which have been prepared under liquidation basis of accounting, as the eVector Group is in the process of winding up its operations (for details refer note 2.1).

TTUK, a 100% subsidiary of EB, has been placed in insolvent voluntary liquidation on April 16, 2002. Accordingly, these consolidated financial statements include the separate financial statements of TTUK prepared under liquidation basis of accounting. (for details refer note 2.1).

2.3 Revenue recognition

Revenues from software development services comprise income from time and material and fixed price contracts. Revenue from 'time and material' contracts is recognised, as and when related services are performed. Revenue from fixed price contracts is recognised using the percentage of completion method of accounting, under which the sales value of performance, including the profit thereon, is determined by relating the actual man hours of work performed to date to the estimated total man hours for each contract. Provision for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable, based on current contract estimates.

Unbilled receivables represent costs incurred and revenues recognised on contracts, to be billed in subsequent periods as per the terms of the contract.

Interest and Other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

2.4 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the fixed assets. Cost also includes financing costs directly attributable to acquisition of fixed assets. Depreciation on additions and disposals is provided pro-rata for the period of use.

Depreciation is provided on straight line basis at higher of the rates based on useful lives of the fixed assets as estimated by the management and those stipulated in Schedule XIV to the Companies Act, 1956.

The useful life of fixed assets being followed by the Group is shorter than those prescribed under Schedule XIV to the Companies Act, and are summarised below:

Asset	Useful life (in years)
Leasehold improvements	Over the term of the lease or the estimated useful life of the asset which ever is shorter
Buildings	20
Office equipment	3-4
Computers and peripherals	3
Furniture and fixtures	3-4
Motor vehicles	4

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

Software purchased along with the related hardware are capitalised and depreciated at the rates applicable to computers and peripherals. Subsequent purchase of software are capitalised and depreciated over an estimated useful life of 2-3 years.

2.5 Retirement benefits

In accordance with Indian regulations, TTL and TTIPL provide for gratuity, a defined benefit retirement plan covering all its eligible employees. Gratuity costs are based on an actuarial valuation carried out by an independent actuary at the balance sheet date.

In accordance with Indian regulations, all employees of TTL, LEI and TTIPL receive benefits from a provident fund, which is a defined contribution retirement plan. Contributions to the provident fund are charged to the profit and loss account in the year in which the contributions are due.

TTL and TTIPL provide for leave encashment costs based on an actuarial valuation carried out by an independent actuary at the balance sheet date

LEI and TTI provides for leave encashment costs based on leave balances to the credit of employees at the year-end at the prevalent salary rates

In respect of LEI, gratuity costs are provided based on the arithmetical calculation.

2.6 Investments

Long-term investments are carried at cost, and provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are carried at lower of cost and fair value.

2.7 Miscellaneous expenditure

Loan origination costs are written off on a straight-line basis over the outstanding period of the loan.

Preliminary expenses incurred by companies within the Group have been written of on a straight-line basis over a period of ten years.

2.8 Income tax

EB and EM are incorporated in Bermuda and Mauritius respectively, where no taxes are currently payable and accordingly no provision for taxes is made in the consolidated financial statements.

Current tax provision is made annually based on the tax liability computed after considering tax allowances and exemptions. Further, deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised, other than deferred tax assets in respect of unabsorbed depreciation and carry forward tax losses, which are recognised only to the extent that there is virtual certainty that they will be realised. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

In view of losses incurred by the Company and its subsidiaries, deferred tax assets have not been recognised in the financial statements as at March 31, 2007. At each balance sheet date, such unrecognized deferred tax assets would be re-assessed and recorded in the financial statements when the realisation of such assets becomes reasonably certain or virtually certain, as the case may be.

2.9 Leases

Assets given under operating lease are reflected in the financial statements under fixed assets. Further, lease income from such operating lease arrangements have been recognised in the statement of profit and loss on a straight line basis over the lease term.

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

2.10 Foreign currency transactions

Transactions in foreign currency are recorded at the monthly average exchange rates. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the year are recognised in the profit and loss account. Foreign currency denominated current assets and current liabilities at the year-end are translated at the year-end exchange rates and the resulting net gain or loss is recognised in the profit and loss account other than the exchange rate difference relating to fixed assets, that are adjusted against the carrying costs of corresponding fixed assets.

2.11 Foreign currency translation

Non-Indian operations

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary, considered as non integral operations, and conversion of foreign branches, which are integral to the operations within the Group into Indian rupees is performed in respect of assets and liabilities other than fixed assets using the exchange rate in effect at the balance sheet date and for revenue and expense items other than the depreciation costs using a monthly simple average exchange rate for the year. Fixed assets are translated at exchange rates on the date of the transaction and depreciation on fixed assets is translated at exchange rates used for translation of the underlying fixed assets.

Net exchange difference resulting from the above translation of the financial statements of foreign subsidiaries has been transferred to foreign exchange translation reserve and in respect of foreign branches the exchange difference is recognised in the consolidated profit and loss account.

2.12 Stock based compensation

TTL being a listed company is required to comply with the 'Employees Stock Option Scheme and Employees Stock Purchase Scheme' guidelines, 1999 issued by Securities and Exchange Board of India ('SEBI') for accounting compensation cost relating to employee stock options granted by the Company. Accordingly, the excess of the market price of the underlying equity share as at the date of grant of the option over the exercise price of the options on the date of grant has been recognised as employee compensation expense and is being amortised on a straight line basis over the vesting period.

Since, SEBI guidelines are not applicable to unlisted companies, compensation cost relating to employee stock options granted by EVCL has not been accounted in the consolidated financials statements.

2.13 Provision and contingent liabilities

Provisions are recognized when the Company has present legal or constructive obligation, a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liabilities, if any, are disclosed by way of notes to the Balance Sheet.

2.14 Impairment of assets

The Company reviews the carrying values of tangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

2.15 Earning per share

The basic and diluted earnings per share is computed by dividing the profit/ (loss) after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

Accounting adjustments/assumptions in consolidation

i) The consolidated financial statements includes the financials of certain subsidiaries which are unaudited, and are accounted and updated upto a particular date and are as prepared by the management. The details of which are given below:

Name of the subsidiaries	Updated upto
eCapital Solutions (Bermuda) Limited	March 31, 2005
eCapital Solutions (Mauritius) Limited	March 31, 2005
Trigyn Technologies Limited, Reading, UK (under liquidation)	March 31, 2002
eVector (Cayman) Limited and its 100% subsidiaries (under liquidation)	March 31, 2002

Management further confirms that there have been no changes in the financials status of the above said subsidiaries from the date on which the last financial statements have been drawn.

ii) On account of lack of adequate details in relation to certain items of the unaudited consolidated financial statement of earlier years, an adjustment of Rs. 42,995,448 had been carried out in the unaudited consolidated financial statement for the year ended March 31, 2005, by reducing the 'brought forward losses' and the 'foreign exchange translation reserve' by an equivalent amount for the purpose of preparation of the consolidated financial statements, of those years.

iii) Goodwill amounting to Rs.479, 423,600 has been written off during the previous year, which was required to be written off during the year ended March 31, 2005.

4. Minority interest

Composition

At March 31, 2007, minority interest aggregating Rs 347.11 million (equivalent of USD 10 million original investment less the distributions made as on balance sheet date to the holders of the Class A Preferred Stock) represents the interest of the holders of 5 million Class A Preferred Stock issued by EVCL at Rs 0.49 (equivalent USD 0.01) each with a premium of Rs 96.63 (equivalent USD 1.99) per share. The holders of each share of Class A Preferred Stock vote together with the common equity stockholders of EVCL and have the right to those many votes equal to the number of equity stock, which would be issued to the preferred stockholders upon conversion of their stock into common equity stock.

The holders of Class A Preferred Stock are entitled to receive cumulative dividends of Rs 7.76 (equivalent USD 0.16) per share per annum, subject to the profits of EVCL and until such time that EVCL closes a round of financing involving the sale of preferred securities in excess of Rs 291.36 (equivalent USD 6) per share with aggregate subscription amount to be received by EVCL of at least Rs 485,600,000 (equivalent USD 10,000,000).

The Class A Preferred Stock is convertible at the option of the stock holder at any time into such number of fully paid equity shares as is determined by dividing the applicable initial purchase price of Rs 97.12 (equivalent USD 2), by the Class A Preferred Stock Conversion price. The conversion price is to be determined at the time of the conversion subject to adjustments as per formula stipulated in the New Article of Association of EVCL dated December 21, 2000. Initially the Class A Preferred Stock conversion price has been determined at Rs 97.12 (equivalent USD 2) per share.

The Class A Preferred Stock shall automatically convert into common equity share of EVCL at the then effective Class A Preferred Stock conversion price (based on the prescribed formula) upon closing of an underwritten public issue pursuant to an effective registration statement under the US Securities Act of 1933, at a public offering price of at least Rs 291.36 (equivalent USD 6) per share with the gross proceeds to EVCL being in excess of Rs 1,214,000,000 (equivalent USD 25,000,000) or in a similar public offering of equity shares in jurisdiction and on a recognised securities exchange outside of the United Sates.

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

The holders of at least 66.67% of the Class A Preferred Stock have the right to cause the forced auction of EVCL, in case EVCL does not complete a qualified Initial Public Offering, within three year following the closing, or commits any Protective Provision Breach as stipulated in the Investors Rights Agreement dated December 22, 2000.

Upon liquidation, the Preferred Stock holders are entitled to an amount equal to 150% of the initial purchase price, which is Rs 145.68 (equivalent USD 3) and cumulative dividend unpaid until liquidation ('liquidation preference amount'). The remaining assets would be distributed to equity and preferred stock holders on a pro-rata basis, based on the number of common equity shares held by each shareholder on an 'as converted basis', only after the preferred stockholders receive Rs 291.36 (equivalent USD 6) including the liquidation preference amount mentioned above.

As explained in note 2.2, on May 30, 2002, the Board of Directors of EVCL decided to wind up operations of the eVector Group. Upon conclusion of winding up proceedings, the balance net assets remaining with the eVector Group after meeting its liquidation related expenses, recurring operating expenses for the period from the balance sheet date until the date of liquidation and payment of its outstanding liabilities would be distributed between the equity shareholder i.e. EB and the preference share holders in accordance with the settlement agreement entered into between them. In this regard, in accordance with the settlement agreement, Rs 5.96 million would be paid to EB in relation to EB's contribution towards share capital in EVCL and the balance net assets would be distributed to the preference stockholders of EVCL.

Accordingly, in view of eVector Group's liquidation arrangements, the minority interest has been reduced to Rs. 347.11 million on account of the pay-out to the investors from their invested funds in Preference A Shares. The effect in the minority interest could vary upon the final execution of the Settlement Agreement.

5. Business acquisitions

Acquisition of EB

In April 2000, TTL acquired 7,350,000 equity shares of EB representing 100% equity stake in a 1:1 stock swap deal. Accordingly, TTL allotted 7,350,000 equity shares of Rs 10 each at a premium of Rs 815 per equity share aggregating Rs 6,063.75 million. As a result of this acquisition, EB became a wholly owned subsidiary of TTL. The Company incurred direct expenses related to acquisition aggregating Rs 0.97 million, which have been considered as part of the cost of investment in EB.

Equity of EB on the date of acquisition representing the residual interest in the assets of EB after deducting its liabilities aggregated Rs 207.24 million. TTL's cost of investment in EB in excess of EB's equity on the date of investment aggregating Rs 5,857.48 million has been classified as goodwill in the consolidated financial statements. The Company is amortising such goodwill over its estimated useful life of four years on a straight line basis.

Acquisition of Applisoft

On 1 January 2001, TTL acquired 100% equity interest in Applisoft, a company primarily engaged in providing software consulting services. The purchase price of Rs 420.69 million (equivalent to USD 9 million) was paid in cash. Further, direct expenses related to acquisition aggregated Rs 0.94 million, which have been considered as part of the cost of investment in Applisoft Inc.

Equity of Applisoft on the date of acquisition representing the residual interest in the assets of Applisoft after deducting its liabilities aggregated Rs 1.36 million. TTL's cost of investment in excess of Applisoft's equity on the date of investment aggregating Rs 420.27 million has been classified as goodwill in the consolidated financial statements. The share purchase agreement specifies, that for a period of three years from the date of acquisition, the seller of Applisoft shall not operate or control similar business. Management believes that this goodwill essentially represents non-compete arrangement with the erstwhile stockholder of Applisoft. Accordingly, goodwill is being amortised over a three-year period on a straight-line basis.

Acquisition of balance 49% equity stake in TTUK

EB, a wholly owned subsidiary of TTL, held 51% equity stake in TTUK. In October 2001, EB acquired balance 49% equity stake in TTUK for consideration in cash aggregating Rs 69.26 (equivalent 1 GBP), thereby making

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

TTUK a 100% subsidiary of EB. At the date of acquisition of this balance 49% equity stake in TTUK, the accumulated losses of TTUK exceeded its share capital and reserves. Accordingly, in the consolidated financial statements, TTL has recorded payment of this consideration aggregating Rs 69.26 as goodwill.

The movement in goodwill balances is summarised below:

Gross Value of Investment recorded upon acquisition of:

- EB	6,064,716,375
- Applisoft	421,629,079
Goodwill recorded upon acquisition of balance 49% equity stake in TTUK	69
	6,486,345,523
Less: accumulated amortisation until 31 March 2004	(6,006,921,923)
Balance at 1 April 2004	479,423,600
Less: amortisation during the year ended 31 March 2005	—
Balance at 1 April 2005	479,423,600
Less: amortisation during the year ended 31 March 2006	(479,423,600)
Balance outstanding as at March 31, 2006	—

6. Extra ordinary item

In the current year, the Company has entered into an One Time Settlement ('OTS') with Oriental Bank of Commerce ('OBC' or 'the bank'). As per the terms of the OTS, the bank has permitted the full and final settlement of term loan granted to the Company amounting to Rs.21.60 crores (interest thereon Rs. 6.26 crores upto March 31, 2006) and the investment made by the bank in preference share capital of the Company amounting to Rs. 5 crores (interest thereon Rs.13 crores upto March 1, 2006) for Rs. 11.25 crores subject to fulfillment of certain conditions. The Company has fulfilled the said conditions by way of issue of further shares to the strategic investor. The Company has made the full payment of Rs. 11.25 crores to the bank towards settlement, and the balance amount of Rs. 15.35 crores towards loan and Rs. 19.26 crores towards interest has been written back in the books as Extraordinary adjustments.

7. Pursuant to the approval of members accorded at the Extra Ordinary General Meeting held on June 2, 2006, the Company has during the year allotted 10,111,111 equity shares of Rs. 10 each for cash at a premium of Rs. 3.50 per equity share and 6,000,000 share warrants of Rs. 10 each (10% of the total subscription price to be paid upfront on the date of allotment of the warrants) convertible into equity shares of Rs. 10 each at a premium of Rs. 3.50 per equity share on a preferential basis. These share warrants are convertible into equity shares by December 16, 2007 at the option of the warrant holders.

The amount received on allotment of 10,111,111 equity shares and upfront consideration towards 6,000,000 share warrants alloted during the year has been invested/utilised as follows:

Sr. No	Partculars	Amount (Rs.)
1.	Repayment of Term Loan	62,500,000
2.	Redemption of Cummulative Preference shares	50,000,000
3.	Capital Expenditure	9,122,542
4.	Utilisation for working capital	7,082,142
5.	Unutilised till March 31, 2007 (in the fixed deposit of the bank)	15,895,316
	Total	**144,600,000**

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

8. Employee Stock Option Plans

i) TTL - Employee stock option plan 1998

The 1998 Employees Stock Option Plan ('the Plan') provides for the issue of options up to 5% of the paid up equity share capital at a minimum exercise price of Rs 265 per equity share, with a vesting period of 36 months from the date of grant of option. In 2002, the Company revised the Plan, whereby the options granted to the employees would vest in four equal installments from the date of the grant of the options.

Presented below is a summary of the Company's 1998 stock option plan activity during the years ended March 31, 2007:

	2007	2006
Options outstanding at the beginning of the year	**4,000**	6,375
Options cancelled during the year	**-**	2,375
Options outstanding at the end of the year	**4,000**	4,000

The Securities and Exchange Board of India ("SEBI") issued Employees Stock Option Scheme and Employees Stock Purchase Scheme Guidelines, 1999 ("the Guidelines"), which are effective for all stock option schemes established after June 19, 1999. In accordance with the Guidelines, the excess of the market price of the underlying equity shares as at the date of the grant of the options over the exercise price of the options, including upfront payments, if any, is to be recognised and amortised on a straight line basis over the vesting period.

The Company's 1998 Stock Option Plan was established prior to the Guidelines. Had the stock compensation cost for the plan been determined as per the Guidelines, the Company's reported net loss would have been lower by Rs. 498,750 (2006: Rs. 498,750).

ii) TTL –Employee stock option plan 2000

In June 2000 the shareholders of the Company approved the Employees Stock Option Plan 2000 ("the 2000 Plan"), which covers the employees of the Company including its subsidiaries and affiliates. The 2000 plan automatically expires in June 2010, unless terminated earlier. These options would vest equally over a period of four years, with a minimum vesting period of one year from the date of the grant of these options. The Company has reconstituted a compensation committee as prescribed by the SEBI guidelines in March 2005, for the purpose of administering this Plan. All the options have been granted at 100% of fair value unless otherwise stated specifically.

During the year ended March 31, 2001, the Company issued 156,050 options including 34,250 options to employees of its subsidiaries, at an exercise price of Rs 380 per option and the prevalent market price of the shares, on the date of grant of these options was Rs 394.3 per share.

In the AGM held on December 30, 2003, the Company passed a resolution to grant Mr. Homiyar Panday, President - US Operations and Employee of the subsidiary company, Trigyn Technologies Inc., upto a maximum limit of 240,000 stock options convertible into equivalent amount of equity shares in one tranche at an exercise price of Rs.10/- per equity share. The prevalent market price of the shares on the date of grant of these options was Rs. 21. These shares., if opted for, are to vest after a lock in period of one year from the date of grant of the said stock options. The Company has accordingly provided the price differential in its books of accounts in terms of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.

Presented below is a summary of the Company's 2000 stock option plan activity during the years ended March 31, 2007:

	2007	**2006**
Options outstanding at the beginning of the year	**1,028,750**	404,150
Options granted during the year	**-**	626,000
Options lapsed during the year	**50,000**	1,400
Options outstanding at the end of the year	**9,78,750**	1,028,750

In accordance with the SEBI guidelines, the excess of the market price of the underlying equity share as at the date of grant of the option over the exercise price of the options on the date of grant has been

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

recognized as employee compensation expenses and is being amortised on a straight line basis over the vesting period. Employee Stock Option Plans compensation income for the year ended March 31, 2007 aggregated Rs.Nil (2006: Rs 12,155).

9. Related party transactions

Details of related parties including summary of transactions entered into by the Trigyn Group during the year ended March 31, 2007 are summarised below:

Names of related parties (as certified by the management)

Key Management Personnel

Tushar Vaidya (Resigned on August 31, 2006)

Ramkrishna Bhagwat

Homiyar Panday

Particulars of related party transactions during the year ended March 31, 2007 Personal cost includes managerial remuneration paid to whole-time directors as follows:

	2007	2006
- Salaries and bonus	**14,975,536**	6,986,036
- Others	**848,982**	2,116,005
	15,824,518	9,102,041

10. Earning Per Share

Details of numerator and denominator used for the purposes of computing earnings per share are summarized below:

	2007	2006
Profit / (Loss) for the year after tax and before extra-ordinary and prior period adjustments	**61,575,521**	(75,888,326)
Add: extra-ordinary adjustments	**346,103,849**	-
Less: prior period expenses	**-**	664,312
Less: prior period adjustment (amortisation of Goodwill)	**-**	479,423,600
Profit/ (Loss) after tax and extraordinary and prior period adjustments	**407,679,370**	(555,976,238)
Number of shares outstanding at the year end	**24,960,986**	14,849,875
Weighted average number of shares used in computing earnings per share (Basic)	**22,855,659**	14,849,875
Weighted average number of shares used in computing earnings per share (Diluted)	**25,510,876**	14,975,901
Face Value of Rs.	**10**	10
Earnings / (loss) per share before extra ordinary adjustments		
- Basic	**2.69**	(5.11)
- Diluted	**2.41**	(5.07)
Earnings / (loss) per share after extra ordinary adjustments		
- Basic	**17.84**	(37.44)
- Diluted	**15.98**	(37.12)

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

11. Segmental reporting

The Companies financial reporting is organized in four major segments viz. Consultancy and IT Services, Finance and Insurance, Government, and Manufacturing and Pharma.

These divisions are the basis on which the Company is reporting its primary segment information. Segments are identified based on the types of customers.

Primary segment information:

(Rs. in lakhs)

Details	Consultancy / IT Services		Finance / Insurance		Government		Manufacturing/ Pharma		Elimination		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
Segment Revenue												
External sales	**844**	1,031	**2,513**	1,299	**6,793**	1,578	**973**	767			**11,123**	5,007
Inter-segment sales	**-**	-	**17**	36	**800**	245	**-**	41	**(817)**	(332)	**(817)**	(332)
Total Revenue	**844**	1,031	**2,496**	1,335	**5,993**	1,823	**973**	808	**(817)**	(322)	**10,306**	4,675
Segment Result	**251**		**479**		**913**		**273**		**-**		**1916**	867
Unallocated expenses (net)											**(1,312)**	(973)
Operating profit / (loss)											**604**	(106)
Interest expenses											**(5)**	(662)
Interest income											**30**	12
Income taxes											**(13)**	(3)
Profit/(loss) from ordinary activities											**616**	(759)
Prior period expenses / adjustments											-	(4,801)
Extra-ordinary items											**3461**	-
Net Profit/(loss)											**4077**	(5.560)

Note: Following information in respect of the primary segment and secondary segment are not given as details for the same are not available.

In respect of primary segment:

- total carrying amount of segment assets,
- total amount of segment liabilities,
- total cost incurred during the period to acquire segment assets that are expected to be used for more than one period,
- total amount of expense included in the segment result for depreciation and amortisation in respect of segment assets for the period, and
- reconciliation of segmental assets and segmental liabilities with assets and liabilities of the group as per the consolidated financial statement.

In respect of secondary segment:

- Segment revenue from external customer by geographical area based on the geographical location of the customer,
- the total carrying amount of segment assets by geographical location of assets, and
- the total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (tangible and intangible fixed assets) by geographical location of assets.

Notes to the Audited Consolidated Financial Statements for the year ended March 31, 2007 *(contd.)*

12. Regulatory matters

The holding company has applied to the concerned regulatory authorities in respect of certain non-compliances, which had been reported on the previous balance sheet date. Most of these non-compliances are a result of the persistent down trend in the software industry, particularly in the United States, which is the largest customer market for the Company. These matters are summarized below:

- Discount cost aggregating Rs 116.83 million representing allowances made by the Company, arising from negotiations and settlement with a certain customer outside India. The management is confident that the pending applications will be reviewed favourably by the concerned authorities without any significant penalty.

13. Contingent Liabilities

TTL:-

1. Counter guarantees on behalf of Leading Edge Infotech Limited, a wholly owned subsidiary Rs 1,000,000 (2006: Rs. 1,000,000).

TTIPL:-

2. During the year 2002, one of the client's eTender.com Limited filed an injunction in the High Court of Delhi against the company in relation to the software developed by the Company for them. The Company has filed its responses and submitted adequate documentary proof to the honorable High Court, refuting the claims made by the client. Given the strong documentary evidence in Company's favour, the management is of the opinion that the claims of the client are not tenable and hence the Company is of the view that there would not arise any contingent liability on this account. The Company has spent efforts many times more than the revenues realized from the client and has adequate documentary evidence to substantiate its claims.
3. The sales tax demand of Rs.1,310,303 was raised against the order passed under Section 23(3) of Delhi Sales Tax Act for the year 2000-01 against which the Company has gone into appeal. The Dy. Commissioner (Appeal – IV) has granted stay against the said order subject to deposit of 10% of the disputed amount i.e. Rs.1,31,030/- under the Local Sales Tax Act. The Company has deposited required 10% deposit and matter is still pending.
4. The Company's software development centre in India is Software Technology Park ('STP') Units under the STP guidelines issued by the Government of India. It is exempted from customs and central excise duties and levies on imported and indigenous capital goods. The Company has executed a bond to pay customs duty, central excise duty, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores and spares consumed duty free, in the event that certain terms and conditions are not fulfilled. Bank guarantees provided to the Customs Authorities in this regard aggregate to Rs 2,500,000 as at March 31, 2007 (March 31, 2006: Rs. 2,500,000).

14. The current assets, loans and advances are stated at the value, which in the opinion of the Board, are realisable in the ordinary course of business. Current liabilities and provisions are stated at the value payable in the ordinary course of the business.

15. The balances of certain amounts under loans and advances, debtors and creditors are subject to confirmation / reconciliation and consequential adjustment, if any. The management does not however expect any significant impact on the financial statements on this account.

16. Payments of Rs.10.95 lacs made to a non-executive director of the Company for professional services rendered are subject to the approval of the shareholders in the ensuing general meeting.

17. The previous year's figures have been regrouped / reworked and or rearranged wherever necessary to confirm to current year's groupings and classifications.

For and on behalf of the Board

Sanjay A. Patkar
Chairman

R. Ganapathi
Executive Director

Place: Mumbai
Date: August 14, 2007

Milind Telawane
Finance Controller

Rajesh Shirambekar
Company Secretary

TRIGYN TECHNOLOGIES LIMITED

Regd. Office : 27, SDF I, SEEPZ - SEZ, M.I.D.C., Andheri (East), Mumbai 400 096. INDIA
PHONE : +91 (22) 2829 0909, FAX : + (22) 2829 1418.

PROXY FORM

DP ID____ Client ID_______________________________________

Folio No.___________________________________ No. of Shares held ____

I/We____ of

____being a Member / Members of Trigyn Technologies Limited hereby

appoint____or failing him / her

____ of ____as

my / our proxy in my / our absence to attend and vote on my / our behalf at the Twenty First Annual General Meeting of the Company to be held at The All India Plastics Manufacturers' Association Auditorium, AIPMA House, A-52, Street No. 1, M.I.D.C. Marol, Andheri (E), Mumbai 400 093 on September 17, 2007 at 3.30 p.m.

Signed this ___________ day of __________________ ,2007

Please affix
1 Rupee
Revenue
Stamp here

Signature ____

Note : The proxy must be returned so as to reach registered office of the Company not less than forty eight hours before the time for holding the aforesaid meeting.

--(TEAR HERE)---

TRIGYN TECHNOLOGIES LIMITED

Regd. Office : 27, SDF I, SEEPZ - SEZ, M.I.D.C., Andheri (East), Mumbai 400 096. INDIA
PHONE : +91 (22) 2829 0909, FAX : + (22) 2829 1418.

ATTENDANCE SLIP

DP ID____ Client ID_______________________________________

Folio No.___________________________________ No. of Shares held ____

Full name of Member (s) ____

I / We hereby record my / our presence at the Twenty First Annual General Meeting of the Company to be held at The All India Plastics Manufacturers' Association Auditorium, AIPMA House, A-52, Street No. 1, M.I.D.C. Marol, Andheri (E), Mumbai 400 093 on September 17, 2007 at 3.30 p.m.

Signed of the Member / Proxy / Representative * ________________________________

Note : Please fill in this attendance slip and hand over at the entrance to the meeting.

* Strike out whichever is not applicable.

BOOK POST

If undelivered please return to :
Sharepro Services (India) Pvt. Ltd.
Unit : Trigyn Technologies Limited
Satam Estate, 3rd Floor
Above Bank of Baroda
Cardinal Gracious Road,
Chakala, Andheri (E)
Mumbai - 400 099

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