



**SANRA SOFTWARE LIMITED
TWELFTH ANNUAL REPORT
2007 - 2008**

BOARD OF DIRECTORS

Mr. A VENKATRAMANI	- Chairman
Mrs. UMA KARTHIKEYAN	- Whole-Time Director
Mr SUKUMAR SUBRAMANIAN	- Executive Director
Mr. RAJEEV AGARWAL	- Independent Director
Mr.K.RAJAGOPAL	- Independent Director
Mr. R SIVA SHANKARAN	- Independent Director

SECRETARY

V SIVASUBRAMANIAN

REGISTERED OFFICE

IA, Eden Dale Apartments,
New No.7, (Old No.6) Bishop Wallers Avenue (East)
CIT Colony
Mylapore
Chennai – 600 004

PRODUCTION UNIT- CHENNAI (STPI UNIT)

No.41-D, North Phase,
Thiru. Vi Ka Industrial Estate
Ekkattuthangal
Chennai – 600 097

PRODUCTION UNIT – BANGALORE

146, 1st Cross, Poonam Complex
KHB Main Road,
Manorayana Palaya
R T Nagar (P.O)
Bangalore – 560032

TRAINING CENTRE (PIXEL ACADEMIX)

Suit No. 1 A, Door No.24,
“Wellington Estate”
First Floor,
Ethiraj Salai
Chennai – 600 008

AUDITORS

M/s. R.RAVINDRAN & ASSOCIATES
Chartered Accountants
No.1 Madambakkam Main Road,
Chinmaya Colony
Rajakilpakkam
Chennai – 600 073

BANKERS

ICICI BANK LTD
HDFC BANK LTD

REGISTRARS

GNSA INFOTECH (P) LTD
GR Mansion, 1st Floor,
No.11, Srinivasan Road,
T Nagar,
Chennai – 600 017

Website – www.sanrasoft.com

CONTENTS

S.NO	PARTICULARS	PAGE NO
1	Letter to Shareholders from the Board	1
2	Notice	3 - 14
3	Highlights of Performance	15
4	Management Discussion and Analysis	16 - 22
5	Director's Report	23 - 28
6	Report on Corporate Governance	29 - 49
7	Auditors Report	50 - 53
8	Audited Financials	54 - 70

LETTER TO SHAREHOLDERS FROM THE BOARD

Dear Shareholders,

It gives us great pleasure in communicating with you at the end of this eventful and successful financial year.

Sprucing up for a brighter future

You would be happy to note that during the year your company has under taken the following measures to take the operation of the company to its pinnacle:

- Successfully Completed preferential allotment of 5,30,000 equity shares and 16,70,000 fully convertible warrants at the rate of Rs.55/- per share (Including premium of Rs 45/-)
- The new promoter M/s Eye Light Events and Promotions (India) Private Limited after going through the process of open offer as per SEBI(Substantial Acquisition of shares and Transfers) Regulation 1997 took over the management of our company during the year.
- Launched PIXELACADEMIX, a training arm of Sanra with a state of art training facilities in Chennai and in Bangalore to cater to the need of ever increasing demand of creative professionals.
- Acquired 2D Animation Business of M/s Acropetal Animation Company Private Limited, Bangalore and there by extended our operations to the Hi-Tech City of Bangalore under the able guidance of Mr N K Narasimhan, Chief Mentor of your company
- Your Company's Production Unit at Ekkattuthangal has been registered with Software Technology Park of India (STPI), Chennai as 100% Export Oriented Unit (Under STPI Scheme) with effect from 13th March 2008. The unit will concentrate mainly in serving our international clientele.
- Your Company successfully completed allotment of 2,00,00,000 equity shares through issue of 1,00,00,000 GDRs during May 2008 at the rate of Rs.55/- per share (Including premium of Rs 45/-)

Infrastructure

Our team size has increased considerably with the experience of the best International animation projects with them.

In Your Company's in house training wing "Sanra Media Knowledge Center" students were given comprehensive training in Animation.

Your Company has also expanded its operations to the Hi-Tech city of Bangalore by opening a state of art production facilities there which will take us to greater heights in future.

The company is planning to move to Special Economic Zone for experiencing the benefits of economic reforms and for having exponential growth.

Your company has also launched its training arm in the name and style of Pixel Academix in Chennai as well as in Bangalore with gorgeous looking training facilities. The academy will run multi faceted animation training Programmes and soft skill Programmes to suit the needs of the students and groom them into a Complete Creative Professional.

Promoters

During the year, M/s Eyclight Events and Promotions (India) Private Limited, a company engaged in media activities become our promoters by acquiring the shares held by our erstwhile promoters through the process of open offer as per SEBI(Substantial Acquisition of shares and Transfers) Regulation 1997.

The Road Ahead

We believe our efforts will enhance the Shareholder value of the Company further in the near future.

Your Company with its ever growing and glowing team of talents looks ahead to enter into the next phase of growth and to place itself as a global entity in the field of media and entertainment industry. The Board is confident that the quality content of your company's products and services will set a new paradigm in the Media & Entertainment Industry. The Board and the employees are looking forward to the challenges of this task.

We thank you for placing the faith in the Company. We look forward to continued support from you to steer the company to great heights.

On behalf of the board
For **Sanra Software Limited**

Place: Chennai
Date: 1st September 2008

A Venkatramani
Chairman

SANRA SOFTWARE LIMITED
Regd Off : 1A, Eden Dale Apartment,
New No.7, Bishop Wallers Avenue(East) ,
CIT Colony, Mylapore, Chennai – 600 004

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of Sanra Software Limited will be held on 30th Day of September 2008 at 11.00 AM at Hotel New Woodlands, Radhakrishnan Salai, Chennai – 600 004 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2008 and the Profit & Loss Account for the year ended on that date and Report of the Directors and the Auditors thereon.
2. To consider and approve payment of Dividend of Rs.0.14 per equity share for the financial year 2007-2008
3. To appoint a director in place of Mrs Uma Karthikeyan, who retires by rotation and being eligible for reappointment, offers herself for reappointment.
4. To appoint a director in place of Mr K Rajagopal, who retires by rotation and being eligible for reappointment, offers himself for reappointment.
5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.

RESOLVED that M/s R. Ravindran & Associates, Chartered Accountants, Chennai be and are hereby re-appointed as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration to be fixed by the Board of Directors in consultation with the auditors.

SPECIAL BUSINESS

6. To pass, with or without modification the following resolution as a Special Resolution

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956 and subject to such approvals, if any, the consent of the Company be and is hereby accorded to the revision in the salary of Mrs. Uma Karthikeyan from Rs. 9 lacs per annum to Rs. 12 lacs per annum from 1st April 2008 and other terms and conditions as set out in the explanatory statements in this item

of the notice with liberty to the Board of Directors of the Company (the “Board”) to alter and vary the terms and conditions of the appointment in such manner as may be agreed to between the Board and Mrs. Uma Karthikeyan.

RESOLVED FURTHER THAT pursuant to the provisions of Part II to Schedule XIII to the Companies Act, 1956 that approval of the members be and is hereby accorded to the payment of the same remuneration as per the terms as set out above to Mrs. Uma Karthikeyan as minimum remuneration, where in any financial year during the tenure of the appointment the Company has no profits or its profit are inadequate, subject to the approval of the Remuneration Committee of the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to execute all such documents and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper.

7. To pass, with or without modification the following resolution as a Special Resolution

“RESOLVED THAT pursuant to Section 21 of the Companies Act, 1956 and other applicable provisions there to and subject to approval of Registrar of Companies, Tamilnadu, Chennai, the company’s name be and is hereby changed from Sanra Software Limited to Sanraa Media Limited and the name of Sanra Software Limited, wherever it appears in the Memorandum of Association, Articles of Association etc be substituted by the new name Sanraa Media Limited.

RESOLVED FURTHER THAT Clause 1 of the Memorandum of Association of the Company be substituted by the following:

“The name of the Company is SANRAA MEDIA LIMITED”.

RESOLVED FURTHER THAT Clause 2 (ii) of the Articles of Association of the Company be substituted by the following:

“The Company” means **SANRAA MEDIA LIMITED**

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to execute all such documents and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper.

8. To pass, with or without modification the following resolution as a Special Resolution

RESOLVED THAT in accordance with the provisions of Section 81 (1) (A) and other applicable provisions, if any, of the Companies Act, 1956 as also of any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force)

and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India (SEBI) and all other appropriate authorities concerned and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which terms shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to offer, issue, and allot Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Foreign Currency Convertible Bonds (FCCBs) / Equity shares / warrants and / or instruments convertible into Equity shares optionally or otherwise (hereinafter referred to as "Securities") subscribed in foreign currency to permitted investors (whether institution and/or incorporated bodies and/or individual or otherwise, and whether or not such investors are members of the Company) for an aggregate sum up to US\$ 27 million (United States Dollars Twenty Seven Millions only) or equivalent in Indian and / or any other currency (ies) inclusive of such premium as may be permitted by the Ministry of Finance / such other authorities, to all eligible investors including Foreign / Resident / (whether Institutions, Incorporated Bodies, / Foreign Institutional Investors / QIBs / Banks and / or otherwise, whether or not such investors are members, promoters, directors or their relatives / associates, of the Company) through Public Issue(s), Private Placement(s), preferential allotment(s) by way of cash or stock swap or towards acquisition of business or a combination thereof at such time or times in such tranche or tranches at such price or prices at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the Lead Managers, Underwriters, advisors or including by way of Initial Public Offer in US or other countries, so as to enable the Company to get listed at any Stock Exchange in India and / or Luxembourg / London / New York / Singapore / Hong Kong Stock Exchange and / or any of the Overseas Stock Exchanges."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable and to settle any questions, difficulty or doubts that may arise in regard to the offer, issue and allotment of securities."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payment whatsoever and all such terms as are provided in international offering of this nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the securities."

"RESOLVED FURTHER THAT the Board be and is hereby also authorized subject to approval of the appropriate authorities to secure the entire or any part of the issue by creation of the mortgage / charge on the company's immovable and movable properties present and future, such charge to rank either pari-passu with or second, subsequent subservient and subordinate to all the mortgages / charges created / to be created by the Company for all existing and future borrowings and facilities whatsoever subject to compliance with the provisions of Companies Act, 1956 and Foreign Exchange Management Act, 1999 read with the relevant rules and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to enter into and execute arrangements / agreements with Lead Managers / Underwriters / Guarantors / Depository(ies) / Custodians / Advisors and all such agencies as may be involved or concerned and to remunerate all such Lead Managers, Underwriters, Stabilising Agents and all other Advisors and Agencies by way of commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the like."

"RESOLVED FURTHER THAT the Company and / or any agency or body authorized by the Company may issue Securities mentioned herein above representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability of free transferability thereof as per the prevailing practices and regulations in the capital markets both Indian and International."

"RESOLVED FURTHER THAT the Securities issued in International offering shall be deemed to have been made abroad in the markets and / or in the place of issue of the Securities in International markets and shall be governed by English or American law or any other law as may be decided by the Board as the case may be."

"RESOLVED FURTHER that the Board be and is hereby authorized to finalize the mode and the terms of issue and allot such number of Securities as may be issued and allotted upon conversion of any Securities referred to in the paragraph(s) above as may be necessary in accordance with the terms of offering and all such shares shall rank pari passu with the then existing Equity Shares of the Company in all respects, including dividend.

9. To pass, with or without modification the following resolution as a Special Resolution

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board, pursuant to the Section 81 or 81 (1A) and other relevant provisions of the Companies Act, 1956 as also of any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India (SEBI) and all other appropriate authorities

concerned and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which terms shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, to issue Equity Shares / Convertible Bonds / Debentures / warrants to the shareholders or to the Public / QIBs for an aggregate amount upto Rs.200 Crores from time to time, where one Warrants/ Bond / Debenture convertible into one equity share of the Company of Rs.10/- each face value or any other proportionate basis at the price which will be determined at the time of conversion."

a. Exercise of offer for conversion of the warrants shall be the sole option of the warrant holders at any time within a period of 18 months from the date of allotment of warrants in accordance with the SEBI(Disclosure and Investor Protection) Guidelines,2000.

b. The Company may call the warrant holder, after 6 months from the date of allotment of warrants, for conversion of the warrants by giving one month notice.

c. The Warrant holders shall pay an amount equivalent to 10% of the conversion price determined as per SEBI's Preferential Issue Guidelines per warrants on or before the date of allotment of warrants.

d. The amount referred to in point (c) above shall be adjusted against the price payable subsequently for acquiring the equity shares by exercising the option of converting the warrants into equity shares by the warrant holders

e. The warrant holders shall pay along with the notice for exercise of the option of conversion of such warrants into equity shares, the balance 90% of the conversion price as determined above.

f. The amount referred in above (c) shall be forfeited, if the option to convert into shares is not exercised by the warrant holders within the stipulate time.

g. The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the Balance Sheet indicating the purpose for which such monies have been utilized and that the details of the monies unutilized shall also be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

"RESOLVED FURTHER THAT the equity shares so issued on conversion of warrants shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes *pari pasu* with the existing equity share of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares on conversion of warrants."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to modify and decide the price, terms and conditions of the issue of the warrants convertible into Equity Shares, if necessary, keeping in view the provisions of the various Act and Guidelines in force from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such conditions, modifications and alterations as they may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper and expedient and give effect to such modifications and to resolve and settle all questions difficulties and doubts that may arise in regard to the implementation of this resolution, issue and allotment of warrants and equity shares and do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by authority of this resolution.

"RESOLVED FURTHER THAT the Company shall ensure that whilst any warrants remaining convertible, it will at all time, keep available and reserve such part of its authorized but un-issued share capital as would enable all outstanding warrants to be converted in full.

"RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares as may be issued on conversion of warrants.

"RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the new equity shares to be issued on conversion of warrants.

"RESOLVED FURTHER THAT the Board be and is authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolution.

"RESOLVED THAT the Board be and is hereby authorized to finalize the mode and the terms of issue as may be issued and allotted referred to in the paragraph(s) above as may be necessary in accordance with the terms of offering and all such debentures with such rights to interest as may be provided under the terms of issue

On behalf of the board
For **Sanra Software Limited**

A Venkatramani
Chairman

Place : Chennai
Date : 1st September 2008

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY TO BE VALID SHOULD BE DEPOSITED WITH THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The register of members and Share Transfer Books of the Company will remain closed from 26th September 2008 to 30th September 2008 (both days inclusive) for the purpose of Annual General Meeting and for payment of Dividend.
4. Members holding shares in physical form are requested to quote their folio number in all correspondence with the Company at its registered office or to intimate the following directly to the Company's Registrar and Share Transfer Agent, M/s GNSA Infotech Private Limited, First Floor, GR Mansion, No.11, Srinivasan Road, T Nagar, Chennai – 600 017:
 - a. Changes, if any in their address
 - b. Request for Nomination forms for making nominations as per the provisions of the Company's Act, 1956.
5. Members holding shares in dematerialized form are requested to contact their respective Depository participant for any change in their particulars.
6. Members are requested to bring their copy of the Annual Report and Admission Slip with them at the Annual General Meeting. The Attendance slips duly completed should be handed over at the entrance of the Meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
7. Members are requested to send in their queries, if any, at least 10 days in advance to the Company Secretary of the Company to facilitate the reply.
8. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays, Sundays and Holidays between 11.00 A.M to 1.00 P.M up to the date of the Annual General Meeting.

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

Item No.6

In the Previous Annual General Meeting of the company the members approved the increase in remuneration of Mrs. Uma Karthikeyan From Rs. 1, 20,000/- per annum to Rs. 9,00,000/- per annum . She has contributed immensely for the growth of the company. She also heads the “Pixel Academix” a training arm of the company. In order to compensate her suitably the remuneration committee in their meeting dated 29th March 2008 and Board of Directors in their meeting dated 31st May 2008 has recommended that her remuneration be increased from 9.00 lakhs per annum to Rs. 12 lakhs per annum with effect from 1 April 2008 on the following principal terms and conditions subject to the overall ceiling as to the remuneration as laid down in Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII to the Act and overall ceiling as to the remuneration as laid down in Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII to the Act. Mrs. Uma Karthikeyan is having rich experience particularly in Software accounting.

The total remuneration by way of salary, perquisites and other allowances payable to her will be Rs. 12,00,000/- per annum.

The perquisites and other allowances includes :

- Medical reimbursement
- Personal accident Insurances per company’s policy
- Leave Travel concession for self and family.

Special allowances

She shall also be eligible to the following remuneration which shall not be included in the computation of the ceiling on remuneration specified above :

- a) Provision of leased Accommodation
- b) Provision of car for official duties with chaffers and
- c) Reimbursement of Telephone charges.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year Mrs Uma Karthikeyan will be paid the remuneration as above, as the minimum remuneration subject to the stipulations contained in Schedule XIII to the Act. In compliance with the requirements of Section 302 of the Companies Act, 1956, the foregoing may be treated as an abstract of the terms of appointment and remuneration of Mrs Uma Karthikeyan, together with the memorandum of concern or interest.

The Board recommends the passing of the above resolution.

Except Mrs Uma Karthikeyan, none of the Directors of the Company is concerned or interested in this resolution.

Item No.7

The Company was incorporated on 1st May 1995 as Sanra Computers (India) Limited and changed its name to Sanra Software Ltd. as approved by the Members in their meeting held on 31st March 2000. Members may recall that company amended its Main Objects Clauses of its Memorandum of Association by including two new clauses to enable the company to carry out the Business in 2 D Animation and 3 D Animation and since then the company is solely operating in the single segment of Animation Business.

Also the company plans to become a full fledged Media & Entertainment company and is working towards for becoming one of the leading player in the Media & Entertainment Industry.

Hence the Board of Directors felt that the company's present name Viz., Sanra Software Limited be changed suitably. The Board in its meeting dated 31st May 2008 has approved the change in name of the company from its present name of Sanra Software Limited to Sanraa Media Limited, subject to availability of Name and approval of the Members and Registrar of Companies. Accordingly the company applied for availability of the name Sanraa Media Limited to the Registrar of Companies, Tamil Nadu Chennai. The Registrar of Companies, Tamilnadu, Chennai has intimated to the Company the availability of the name Sanraa Media Limited subject to approval of the members in the general meeting by way of special resolution.

Hence this present resolution.

The Board recommends the passing of the above resolution.

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

Item No 8

In order to fund Company's business expansion plans, it is proposed to raise funds by offering GDR/ADR/FCCB. This is an enabling resolution also, to authorize the Board to find the best possible way to raise funds to meet the new project as well as in expansion of existing business. The Board will decide the issue ratio and the size of the GDR/ADR/FCCB issue within the limit approved by the shareholders in this Meeting. This resolution shall be subject to the approval of various statutory authorities.

Your Directors recommend the passing of this resolution.

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

Item No.9

In order to fund Company's business expansion plans, it is proposed to raise funds by offering shares through Rights issue / Public Issue / Preferential Issue / Convertible Bonds / Debentures / warrants to the shareholders or to the Public / QIBs. This is an enabling resolution also, to authorize the Board to find the best possible way to raise funds to meet the new project as well as in expansion of existing business. The Board will decide the issue ratio and the size of the issues within the limit approved by the shareholders in this Meeting. This resolution shall be subject to the approval of various statutory authorities.

Your Directors recommend the passing of this resolution.

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

On behalf of the board
For **Sanra Software Limited**

A Venkatramani
Chairman

Place : Chennai
Date : 1st September 2008

Details of Directors seeking Re-appointment in the forthcoming Annual General Meeting:

(In Pursuance of Clause 49 IV (G) of the Listing Agreement)

Name of the Director	Mrs Uma Karthikeyan	Mr K Rajagopal
Date of Birth	25th May 1980	27th June 1959
Date of Appointment of Director	30th August 2005	27th March 2006
Qualifications	<ul style="list-style-type: none"> • Bachelor of Commerce • Member of The Institute of Chartered Accountants of India (C.A) 	<ul style="list-style-type: none"> • Member of The Institute of Chartered Accountants of India (C.A) • Member of The Institute of Company Secretaries of India (C.S)
Expertise in Specific Functional Areas/ Recognitions	<ul style="list-style-type: none"> • She is a young and a dynamic Chartered Accountant and comes with a fund of experience working in companies like Marico India Limited and Henkel India Limited. • She has been in the Company for the past two years and has been in the forefront for building the shareholder value for the stakeholders by strengthening the business with innovative financial planning strategies. <p>She is also CEO of the “Pixel Academix”, the training arm of the Company</p>	<ul style="list-style-type: none"> • Mr K Rajagopal is a Chartered Accountant and a qualified company secretary. • He has more than 25 years of working experience in corporate finance. • He has worked in many software and telecom companies like Cognizant Technologies in various capacities.
List of Other Companies in Which Directorship is held	<ul style="list-style-type: none"> • Ennore Coke Limited 	<ul style="list-style-type: none"> • Nil

<p>Chairman/ Member of the committees of the Board of the Companies (Includes only Audit Committee and Shareholder's/ Investors' Grievance Committee)</p>	<ul style="list-style-type: none"> • Member of the Audit Committee of Ennore Coke Limited 	<ul style="list-style-type: none"> • Nil
<p>Number of Shares held in the Company</p>	<ul style="list-style-type: none"> • 15,000 	<ul style="list-style-type: none"> • Nil

HIGHLIGHTS OF PERFORMANCE

KEY FINANCIALS FOR THE LAST THREE YEARS

(Rs. In Millions)

Particulars	2007 – 08 (12 Months Period)	2006-07 (12 months period)	2004-06 (18 months period)
Total Income	135.77	25.81	25.76
PBDIT	59.55	17.46	5.44
Profit Before Tax	41.83	6.07	4.39
Profit After Tax (PAT)	35.68	3.47	2.37
Cash Profits (PAT + Depreciation + Amortisation)	52.73	16.80	5.64
Net Fixed Assets	51.65	40.08	41.06
Net Current Assets	60.31	17.83	14.37
Capital Work-in-Progress	45.23	-	-
Miscellaneous Expenditure	5.86	7.81	9.76
Total Capital Employed	163.05	65.72	65.19
Equity Share Capital	65.80	60.50	60.50
Share Premium	24.85	1.00	1.00
Profit & Loss A/c	34.11	2.78	2.89
Net Worth	124.76	64.28	64.39
Loan funds	26.45	-	-
Share Application Money	9.19		
Deferred Tax Liability	2.65	1.45	0.81
Total Capital Employed	163.05	65.72	65.19
		Amt (Rs.)	Amt (Rs.)
Dividend Per share #	0.14	0.50	-
Book Value Per Share ##	20.17	10.62	10.64
Earnings per Share ###	5.77	0.57	0.39
Market Price per Share ####	42.40	13.11	####

Notes

Dividend declared by Board

Networth/ No. of Equity Shares

PAT / No. of Equity Shares

Market Price at BSE as on date of Balance Sheet. As the trading was suspended during the year 2002-2006, no information is given on the same.

MANAGEMENT DISCUSSION AND ANALYSYS

INDUSTRY OUTLOOK

Global Market

The global entertainment and media (E&M) industry is experiencing solid growth and is estimated to increase at a 6.6% compound annual growth rate (CAGR) to \$1.8 trillion in 2010, according to PricewaterhouseCoopers' "Global Entertainment and Media Outlook: 2006-2010" report. The U.S. remains the largest E&M market, growing at a 5.6% CAGR rate reaching US\$ 726 billion in 2010. Video games and the Internet will be the fastest-growing segments, with compound annual increases of 8.9% and 8.4% respectively. Canada is projected to expand at a 5.9% CAGR to US\$ 41 billion in 2010

As IT and infrastructure continues on a high growth trajectory, demand for entertainment continues to grow at geometric proportions. As an important subset of the global entertainment industry, the animation industry is experiencing rapid development worldwide. The global animation industry largely lies in Europe, the U.S, Japan, South Korea, China and India. In Europe and the U.S. the animation industry is worth hundreds of billion USD annually. In Britain, the digital entertainment industry has become the country's biggest sector, with annual output value accounting for 7.9% in its GDP. In the U.S. the online game industry exceeded the film industry for four years, becoming the biggest entertainment sector in the country.

Indian Outlook

The entertainment segment of the Indian animation industry in 2007 stands at an estimated Rs. 13 billion. The industry grew by 24% from the previous year 2006 when the recorded revenues were Rs. 10.5 billion. The gaming industry, on the other hand, grew at a higher rate of 32% over the previous year and stands at an estimated Rs. 2.7 billion in 2007, up from Rs. 2.05 billion in 2006.

The Indian animation market is growing and serves the content for both domestic as well as international clients. Bollywood movies have begun to realize the potential of the animation segment and have high hopes for higher rate of return for their investments on the animation films. Moreover, the growth of gaming industry will also come through animation. Within animation, the entertainment segment will continue to remain the major contributor, accounting for nearly three-fourth of the total market through the forecast period.

The size of the Indian animation industry is expected to witness a CAGR of 35% and increase to US\$ 950 million by 2009. In entertainment, the share of fully animated movies is expected to increase significantly, from 15% in 2006 to 28% by 2010.

The performance of the Indian entertainment & media (E&M) industry in 2007 has surpassed the performance of the Indian economy and most other industries.

The E&M industry recorded a growth of 17% and reached an estimated size of Rs 513 billion in 2007. Different segments grew at different rates. The highest rate of growth was recorded by the smallest segment in the industry are

- online advertising, which grew at 69%.
- Radio recorded a growth of 24%,
- while the entertainment portion of the animation, gaming and VFX industry grew at 24%, estimated at Rs 13 billion in 2007.
- Television industry recorded a growth of 18% and was estimated at Rs 226 billion.

The global animation industry is offering a major chunk of business in animation to India to cut cost and increase their profits. Pioneered by the Indian advertising industry, animation in India has been adding creativity to ad-commercials and special effects to Bollywood films.

The animation industry will continue to maintain its growth pace and is projected to increase to Rs. 40 billion in 2012 from its current size of Rs. 13 billion.

Domestic demand will create the fillip in its growth as well as contribution from international co-productions, especially in the television segment.

Gaming - Outlook

Growth in the gaming industry has been facilitated by the introduction of newer technologies and platforms. The market for gaming development in India is expected to witness a CAGR of 78% and reach US\$ 300 million by 2009. Of the total animation market, approximately 40- 45% goes towards the cost of development. Based on this, the global animation market, (from the developers' perspective), is expected to increase to US\$ 35 billion by 2009. By 2009 the worldwide gaming market (from the developers' perspective), is expected to increase to US\$ 11 billion.

The gaming industry is projected to dominate the industry over the next five years. The Indian gaming industry is projected to grow from an estimated size of Rs. 2.7 billion in 2007 to an estimated Rs. 14 billion by 2012, translating into a cumulative growth of 39% over the next five years.

Mobile gaming will dominate the segment with over 71 % share, driven by the growth in the high-end segment of the mobile users, the need for valuable content by mobile operators and the availability of 3G spectrum that enables easy of play.

Online gaming will be the next highest growth segment, fuelled by the growth of internet users and especially of the target segment of 15-34 years.

Console gaming is expected to grow by 18%, over one next 5 years driven by falling cost of console prices and availability of local games.

BUSINESS OVERVIEW

Your Company has identified the new Media Industry as the way to the future. Identifying the potential in the Industry, The Company has acquired the business from M/s Acropetal Animation Company Private Limited, Bangalore through business transfer agreement. During the year, The company has entered into various contracts with national and international clients and this year the revenue generated from the operation has increased from Rs.2.58 Crores to Rs. 13.58 Crores an increase of 526%.

The future of the Indian Entertainment Industry looks very positive and the concept 3D Animation is fast catching with the Public and we expect excellent opportunities in this field.

On Production front we have entered contracts with both national and international clients.

PROJECTS UPDATES

During the year our production team successfully completed the following projects is 3D, 2D Animation:

- 2D Animated Series for a domestic clients
- A full length Animated Feature Film using both flash and 3D Animation for a Domestic Client
- "World Leaders" an animated series a slap stick on current global political scenario featuring international leaders like George Bush, Vladimir Putin etc for an international client.
- The company has a unique capability of delivering 3 D stereoscopic and was the first animation company to deliver 26 episodes of 3D Stereoscopic Broadcast videos to an international client.

All the products executed by our team received accolades from our clients and hailed as one of the best products they had received.

PIXEL ACADEMIX

It is the training arm of your company operating presently in Chennai and Bangalore with gorgeous looking training facility. The academy will run multi faceted animation training Programmes and soft skill Programmes to suit the needs of the students and groom them into a Complete Creative Professional.

The company already has a tie up with paradigm shift outsourcing Pvt. Ltd. a leading company in imparting soft skill training as well as training for improving their communication skills in english.

ROAD MAP

The company is working towards its goal of becoming a leading player in Media & Entertainment Industry, with a current niche in digital entertainment like Animation and latest technology for streaming the content. The company will in near future look at grooming in to a full fledged Media and Entertainment Company.

Keeping this in Mind, your company is planning to change its present name to "SANRAA MEDIA LIMITED" and the agenda to this effect is proposed to be taken up in the ensuing annual general meeting for members approval.

The company is planning to move to Special Economic Zone for experiencing the benefits of economic reforms and for having exponential growth.

OPERATIONS OVERVIEW:

The field of Animation has got enormous growth prospects in respect of revenue earning. In line with the above, the company acquired the Animation Business relating to M/s Acropetal Animation Company Private Limited, Bangalore, which is a pioneer company in the 2D Animation and owning many intellectual property rights.

During the year, the company successfully completed preferential allotment of 5,30,000 shares and 16,70,000 fully convertible warrants at Rs.55/- per share (including Rs.45/- towards premium) to bring in more funds for overall growth of the Company.

In view of the good performance of the company, your directors are pleased to recommend payment of Dividend of 10.43% of the Distributable profits for the year ended 31st March 2008 to all the shareholders (Including holders of GDRs) which will work out to Rs.0.14P per equity share. Total cash outgo on account of this payment including Dividend Distribution Tax works out to Rs.43.54 lakhs.

PROMOTERS

During the year, M/s Eyclight Events and Promotions (India) Private Limited, a company engaged in media activities become our promoters by acquiring the shares held by our erstwhile promoters through the process of open offer as per SEBI(Substantial Acquisition of shares and Transfers) Regulation 1997.

THREATS, RISKS & CONCERNS

Competition

As the industry is poised for stage of exponential growth, a lot of Companies are entering this arena and the cost efficient competitors are increasing. Also in the global scenario, there is a huge advent of animation and gaming companies in China, Korea, Philippines and Singapore. These Countries also have a huge cost advantage like India. Over and above that, the Government in such countries is actively supporting the growth of the Media Industry by introduction

of subsidies and initiation of several schemes to support Animation Companies.

Scarcity of Human Capital

This is an inherent problem with this industry. The skill required here has to be combination of creativity and synergising of technology to bring the best results. There are very few training centers providing training which cater to the needs of the Industry. Also there is a lack of any organized channel of education and awareness as relating to the potential of this industry.

Capital Intensive and technology obsolescence

This Industry is very capital intensive and typically requires high-end systems and storage equipment and proper infrastructure planning. Also the methods, software used in this field are dynamically changing and the advent of new technology, techniques and upgrades seem to be very fast. It poses a continuing challenge to companies in this Industry to adapt to newer technologies and also for the personnel to get trained and use these effectively.

INTERNAL CONTROL SYSTEMS:

The Company has an adequate systems and internal controls to safeguard the assets of the company; and to ensure maintenance of proper accounting records. Audit Committee periodically reviews the functioning of the entire system.

DISCUSSION ON FINANCIAL PERFORMANCE:

4.1 Financial Highlights

Particulars	Unit	Year Ended 31st March 2007	Year Ended 31st March 2008	Remarks
Operating Income	Rs (In Lakhs)	258.10	1357.68	Increase of 526%
EBITDA	Rs (In Lakhs)	174.60	595.44	Increase of 341%
PBT	Rs (In Lakhs)	60.70	418.30	Increase of 689%
PAT	Rs (In Lakhs)	34.70	356.80	Increase of 1028%

4.2 Income

During the year under review, the total income grew to Rs. 1357.68 Lakhs from Rs.258.10 Lakhs (Being the amount for the year ended 31st March 2007), representing an increase of 1099.58 Lakhs. Operating Income for the year ended 31st March 2008 grew by 526% in comparison to the Operating Income for the previous financial year.

4.3 Operating Expenses

During the Year ended 31st March 2008, the company incurred operating expenses of Rs. 762.24 lakhs representing 56.14% of operating income. The main contributors to the total operating expenses are: Operating Cost 27.11%, Administrative Cost 72.89%.

4.4 Profit Before Interest, Tax, Depreciation & Amortization

The Company had a profit before interest, Tax,, Depreciation and Amortization of Rs 595.44 lakhs for the year under Review as compared to Rs.174.63 lakhs for the year ended 31st March 2007, which represents an increase of 341% over the previous financial year. The EBITDA margin for the year ended 31st March 2008 and year ended 31st March 2007 stood at 43.86% and 67.65% respectively.

4.5 Interest, Depreciation and Amortization

During the year under review, the Depreciation and Amortization charges was at Rs. 170.47 Lakhs and Finance Cost was at Rs.6.63 Lakhs against Rs. 113.86 lakhs and Nil respectively for the year ended 31st March 2007.

4.6 Profits and Taxes

The Profit before Tax for the Year ended 31st March 2008 stood at Rs. 418.34 lakhs, representing an increase of 689% as compared to the previous year ended 31st March 2007. The tax charge for the current year is mainly attributable to the Fringe Benefit Tax (Rs. 2.06 lakhs) Provision for Income Tax (47.40 lakhs) and deferred tax (Rs.12.09 lakhs). The Profit after Tax for the year ended 31st March 2008 was Rs. 356.80 Lakhs as against Rs.34.71 Lakhs for the year ended 31st March 2007. The PAT margin for the year ended 31st March 2008 and year ended 31st March 2007 stood at 26.28% and 13.46% respectively.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company makes efforts to ensure that employees are provided with a congenial work atmosphere. Facilities are equipped with state –of-the-art hardware, software and communication equipment apart from periodic recreational facilities to motivate the team. The company intends to continuously improve the quality of people through training in skill development, as well as in personality development. Management places great emphasis on continuously improving the work environment and ambience to nurture innovation and creativity.

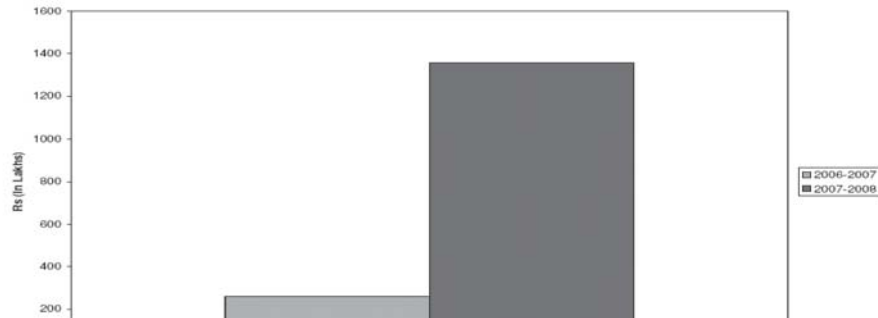
On behalf of the board
For **Sanra Software Limited**

A Venkatramani
Chairman

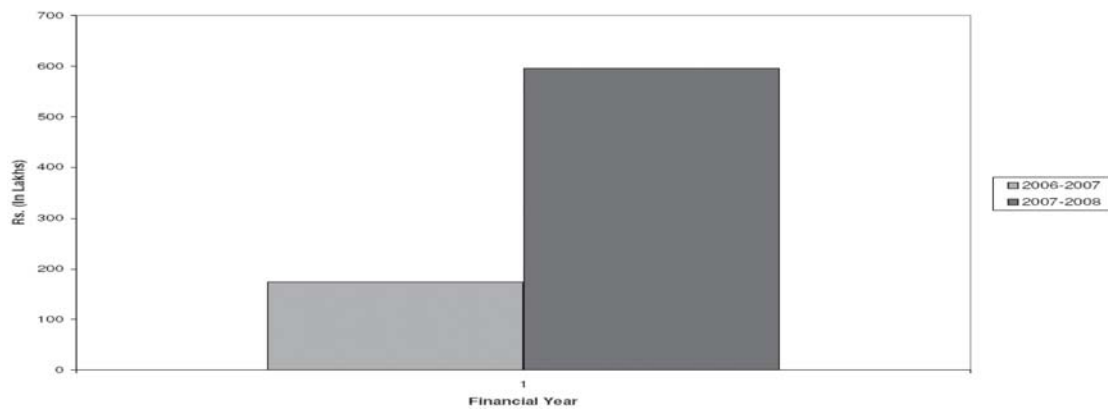
Place : Chennai
Date : 1st September 2008

RESULTS AT A GLANCE

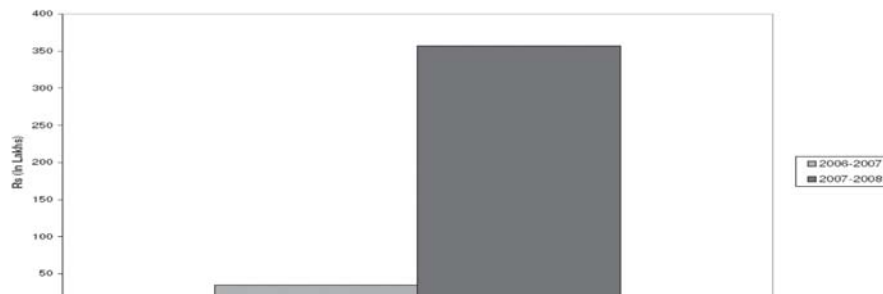
Operating Income



Profit Before Tax



Profit After Tax



DIRECTORS' REPORT

The Directors are pleased to present their Twelfth Annual Report on the working of your company along with the audited Balance Sheet and the Profit and Loss Account for the period ended 31st March 2008.

The financial highlights are set out below:

(Rs. In Lakhs)

Particulars	2006 – 2007	2007 – 2008
Revenue	258.10	1357.68
Profit before Interest Depreciation and Tax	174.63	595.44
Interest & Finance Charges	Nil	6.63
Depreciation	113.86	170.47
Provision for Tax	19.66	47.40
Deferred Tax	6.39	12.09
Fringe Benefit Tax	-	2.06
Net Profit for the year	34.74	356.80
Accumulated Profit Brought forward from Balance Sheet	28.91	27.80
Total Distributable profit	63.65	384.50
Dividend	30.25	37.21
Dividend Tax	3.02	6.32
Profit Carried over to the Balance Sheet	30.38	341.06

The Board of Directors is pleased to state that during the financial year under review, the income of the company was Rs 1357.68 Lakhs as against Rs.258.10 Lakhs for the previous financial year. The EBITDA for the financial year was Rs. 595.44 Lakhs as against Rs.174.63 lakhs for the previous financial year. The PAT for the financial year under review was Rs. 356.80 Lakhs as against Rs.34.74 lakhs for the previous financial year.

SHARE CAPITAL

During the year under review, your company has made a preferential allotment of 5,30,000 equity shares of Rs.10/- each at Rs.55/- each including a premium of Rs.45/- per share. The company also issued 16,70,000 fully convertible warrants on preferential basis. The shares issued were listed in Bombay Stock Exchange Limited on and from 14th March 2008. The convertible warrants will also be converted as 16,70,000 Equity shares of Rs.10/- each at the price of Rs.55/- per share including Rs.45/- per share as premium in the ensuing financial years. These steps will help us to develop our infrastructure and enhance our production facilities.

The Company also issued 10,000,000 GDRs underlying 20,000,000 equity shares of Rs.10/- each at Rs.55/- per share including a premium of Rs.45/- per share on 2nd May 2008 and the above shares got listed in Bombay Stock Exchange Limited on and from 16th May 2008.

USE OF PROCEEDS

The company has placed the statement containing the use of funds received through preferential allotment of equity shares. The proceeds of the preferential allotment have been utilized according to the objects stated in the notice issued by the company and reported on quarterly basis as a part of financial results published pursuant to clause 41 of the listing agreement.

TERM DEPOSITS

During the year under review, the company has not accepted any deposits from the public within the meaning of Section 58 A of the Companies Act, 1956.

DIRECTORS

During the financial year under review Mr Sukumar Subramanian, CEO of our company was appointed as Executive Director of our company.

Mr A Venkatramani was appointed as Director and Chairman of our company. Mr A Venkatramani has 30 years of Business Management experience particularly in People Management and Organizational Structuring, having worked with various blue chip MNC's such as Hindustan Lever Ltd (Unilever), Hindustan Computers Limited and, most prominently, as an Executive Director of the Shriram Group (one of the largest industrial houses in the South India owning one of the largest retail finance companies in India). Latter, he has been at the forefront of the Information Technology sector having developed entrepreneurial businesses in training, software development, telemedicine and anti-virus business development. He enjoys high visibility in the South Indian business community and has built up brand and goodwill from his past successes and his drive to carve out new strategic relationships with businesses he associates with. He is one of the main promoters of GV Films Limited with a Special interest in taking new leading edge technologies forward in the media sector. He is also Chairman and Managing Director of Kaashyap Technologies Limited.

During the year under Review, Mr Sanjay Bhardwaj ceased to be Executive Director of the Company with effect from 9th November, 2007. The Board wishes to place on record its sincere appreciation for the guidance and assistance provided by him during his tenure as Executive Director of the Company. At the ensuing Annual General Meeting Mrs Uma Karthikeyan and Mr K Rajagopal, Directors of the company, retire by rotation and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the companies Amendment Act, 1956, with respect to directors' responsibility statement and subject to the Disclosures in the Annual Accounts, the Board of Directors hereby confirms that:

1. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departure, if any;
2. The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of financial year ended 31st March 2008 and of the profits of the company for the year ended 31st March 2008:
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. The Directors had prepared the Annual Accounts on a going concern basis.

DIVIDEND

Your directors are pleased to recommend payment Dividend of 10.43% of the Distributable profits for the year ended 31st March 2008 to all the shareholders (Including holders of GDRs) which will work out to Rs.0.14P per equity share. Total cash outgo on account of this payment including Dividend Distribution Tax works out to Rs. 43.54 Lakhs.

AUDITORS

The auditors, M/s. R Ravindran & Associates, Chartered Accountants have expressed their willingness to continue in office. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956, if appointed. The Board of Directors recommend to the members to appoint them as auditors and authorize the Board to fix their remuneration.

COMPANY SECRETARY

The Company has a whole time company Secretary as required under Section 383A of the Companies Act 1956.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement entered with the Bombay Stock Exchange Limited, Management Discussion and Analysis Report is presented in the separate section and forms an integral part of the Director's Report.

CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE

A detailed report on Corporate Governance, pursuant to requirement of Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report. A certificate confirming compliance of the conditions of Corporate Governance from a practicing chartered accountant as stipulated under Clause 49 of the listing agreement is annexed to the Corporate Governance Report.

ADDITIONAL INFORMATION

The additional information required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo is annexed hereto marked as Annexure A and forms an integral part of this Report

PARTICULARS OF EMPLOYEES

No employee is in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 and hence furnishing of statement of particulars of employees as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended does not arise.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the Co-operation received from the Central Government, State Government, Company's Bankers, Customers, Vendors and shareholders. Your Directors also wish to place on record their deep sense of appreciation for the contribution made by the Employees of the Company for their unstinted efforts in the progress of the company at all levels.

On behalf of the board
For **Sanra Software Limited**

A Venkatramani
Chairman

Place : Chennai
Date : 1st September 2008

Annexure – A

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. Conservation of Energy

The Company takes all steps and ensures optimum utilization of the sources of energy and avoids wastage.

B. Technology Absorption

The Information required to be disclosed under Rule 2 of the aforesaid rules is given hereunder in Form –B;

FORM -B

1	Specific Areas in which R&D is Carried Out by the Company	Not Applicable
2	Benefits derived as a Results of the Above R&D Work	Not Applicable
3	Future Plan of Action	The Company is into 2D/3D Animation and other Media Related activities and does not manufacture/assemble any machinery/equipment related to its field of operation and hence expenditure for R&D for manufacture/assembly of the machinery/equipment is not planned at present.
4	Expenditure on R&D a. Capital b. Revenue c. Total d. Total R&D Expenditure as a percentage of total turnover	Not Applicable - - - -

Technology absorption, adaptation and Innovation

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	Not Applicable
2	Benefits derived as a results of the above efforts, e.g, product improvement, cost reduction, product development, import substitutions, etc.	Not Applicable
3	In Case of Imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished; a. Technology Imported b. Year of Import c. Has Technology been fully absorbed? d. If not fully absorbed, areas where this has not taken place reasons therefore and future plan of action	Not Applicable - - - -

C. Foreign Exchange Earnings and Outgo

(Amount in Rs. '000)

		For the Year Ended 31st March 2008	For the Year Ended March 2007
1	Earnings	60045	Nil
2	Outgo	Nil	Nil

The Foreign Exchange earnings represents the services rendered in India to the International customers.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance :

Sanra Software Limited (hereinafter referred to as "Company") is adopting high standards of excellence in Corporate Governance and believes that good corporate government practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the company and help the company achieve its goal of maximizing value for all its stakeholders.

Company understands and respects its responsibility towards all its stakeholders, which includes, its esteemed customers, providers of the capital, employees, those from whom we buy and the society at large. Corporate Governance norms are an integral part of all our activities and are respected not just in letter, but more importantly, in spirit. We at the Company believe that good Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor's confidence.

2. Board of Directors

Composition

As on 31st March 2008, the Board of Directors of the Company consisted of Two Executive Directors and Four Non Executive Directors including three independent directors. Mrs Uma Karthikeyan and Mr Sukumar Subramanian are Executive Directors and Mr A Venkatramani, the Chairman of the Company, is a Non-Executive Director. Mr Rajeev Agarwal, Mr K Rajagopal and Mr R Sivashankaran are independent and non-executive directors

As per the provisions of the Listing Agreement with the Bombay Stock Exchange Limited and Madras Stock Exchange Limited the board consists of adequate combination of Executive, Non-Executive and Independent Directors.

The details as to the Attendance of Directors in the Board Meetings and in the last AGM held on 28th September 2007 and the number of other directorships and committee memberships/ chairmanship as on 31st March 2008 as follows:-

Name of the Director	Date of Appointment	Category	Attendance in Board Meeting		Attendance in Last AGM	Number of Directorships in other Companies	No of Committees** (Including Sanra Software Ltd.)	
			Held	Attended			Chairman	Member
Mr Sanjay* Bhardwaj (up to 9th Nov 2007)	30th Aug 2005	Executive Director	6	6	Yes	Nil	Nil	1
Mrs Uma Karthikeyan	30th Aug 2005	Executive Director	9	9	Yes	1	Nil	3
Mr Sukumar Subramanian	28th September 2007	Executive Director	5	5	Yes	1	Nil	Nil
Mr A Venkaramani	9th Nov 2007	Chair. – N. Exe Direc	4	4	N A	2	Nil	2
Mr Rajeev Agarwal	27th Mar 2006	Independent Director	9	9	Yes	1	2	Nil
Mr K Rajagopal	27th Mar 2006	Independent Director	9	9	Yes	Nil	1	1
Mr R Sivasankaran	27th Mar 2006	Independent Director	9	9	Yes	Nil	Nil	1

- Mr Sanjay Bhardwaj Executive Director of the Company resigned from the post and also from the directorship of the Company with effect from 9th November, 2007.
- For the Number of Directorships in other committees Public Limited Companies are considered. Private Limited Companies, Foreign Companies and companies registered under Section 25 of the Company's Act, 1956 have been excluded.
- Committees includes Audit Committee and Shareholder's/Investors' Grievance Committee only.
- Mr Sukumar Subramanian was appointed as Executive Director from 28th September, 2007 and Mr A Venkatramani was appointed Chairman and Non Executive Director with effect from 9th November, 2007.

Relationship of Non Executive Chairman

Mr A Venkatramani the Non-Executive Director, is the Chairman of the Company. He is not a promoter or is related to the any of the Directors of the Promoting Company or persons occupying management positions at the Board Level or at one level below the Board.

Appointment /Resignation of Independent Director

During the Year under Review none of the Independent Directors resigned from the Board and hence appointment of new independent director within 180 days of the Resignation of the existing director does not arise.

Board Procedures

The Board of Directors met Nine (9) times on 30th June, 2007, 31st July 2007, 23rd August, 2007, 25th October, 2007, 31st October 2007, 9th November, 2007, 26th November, 2007, 28th December 2007 and 31st January 2008 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose. The gap between any two meetings has been less than four months- thus complying with the Clause 49 requirement.

Information Supplied to the Board

The board of Sanra Software Limited is presented with all the relevant information well in advance before each meeting on various matters affecting the working of the company, as well as those that require deliberation at the highest level. Directors have separate and independent access to senior management at all times.

In addition to items, which are required to be placed before the board for its noting and/or approval under the statutes or regulations, information is also provided for the periodic review/ information on various items, such as:

- Sales, operations, investments and financial performance
- Financial results
- Staff matters, including senior appointments and extensions
- Labour matters and human resource issues
- Legal proceedings by or against the company
- Legal compliance reports
- Share transfer and demat compliance
- Donations and other significant matters

According to the statutes, at least two-third of the board should consist of retiring directors. Of these, a third is required to retire every year and, if eligible, may seek re-appointment by the shareholders. All the 6 directors in Sanra Software Limited are retiring directors. On this occasion, the retiring directors are Mrs Uma Karthikeyan and Mr K Rajagopal who, being eligible, have offered their candidature for re-appointment. The details are given in the section on "Shareholders" in this chapter, as well as in the Directors' Report.

Information about the Directors proposed to be appointed/ re-appointed required to be furnished pursuant to Clause 49 of the listing agreement with the Stock Exchanges are also forming part of the notice Of the Twelfth Annual General Meeting to the shareholders of the Company

The Annual General Meeting for the period ended 31st March 2007 was held on 28th September 2007 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

Review of legal compliance Reports

The Board periodically reviewed during the year the compliance reports in respect of laws applicable to the company as prepared and placed before the board by the company.

Code of Conduct

The Board had laid down a code of conduct for all board members and senior management of the company. All board members and senior management personnel have affirmed compliance with the code for 2007-2008. A declaration to this effect signed by CEO is given in this Annual Report.

Audit Committee

Constitution and composition

The terms of reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing agreement besides other terms as may be referred to by the Board.

The Audit Committee act as a link between the management, the statutory and the Board of Directors. The Audit committee is responsible for company's financial and accounting controls, plans and policies, plans and procedures and reviews the other functions through various internal reports and also certificates issued by Statutory Auditors. Quarterly and Annual Accounts are placed before the Audit Committee prior to being presented to the Board and the committee reviews the financial statement in view of the adopted Accounting policies and Practices, Compliance with Accounting standards and other legal requirement.

Composition

The Audit committee constituted by the Board Consists of Two Independent Directors and One Executive Director. All members of Audit Committee possess financial/accounting expertise. The Chairman of the Audit Committee is an independent director. Mr V Sivasubramanian is the Secretary to the Audit Committee.

The Committee has met six times during the year (i.e) 29th June 2007, 30th July, 2007, 16th August, 2007, 30th October 2007, 30th January 2008 and 22nd February 2008 and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose. The gap between any two meetings has been less than four months-thus complying with the Clause 49 requirement.

The composition and category of Members of the Audit Committee of the Board of Directors and attendance at the meeting as follows:

S No	Name of the Director	Designation	Category	Attendance	
				Held	Attended
1	Mr Rajeev Agarwal	Chairman	Non Executive – Independent	6	6
2	Mr K Rajagopal	Member	Non Executive – Independent	6	6
3	Mrs Uma Karthikeyan	Member	Executive	6	6

Remuneration Committee

The Remuneration Committee of the Board of Directors consists of all non-executive Directors and two of them are independent directors. The Remuneration Committee reviews and recommends the remuneration of Executive Directors and evaluates their performance based on overall performance of the Company and Individual Performance. No Sitting fees are paid to any of the Directors.

During the year under review there were three executive Directors. Mr Sanjay Bhardwaj resigned from the Board with effect from 9th November 2007 and Mr Sukumar Subramanian was appointed as Executive Director in company's Annual General Meeting held on 28th September, 2007. All other directors being non-executive directors and no remuneration is paid to them including sitting fees.

The Company does not have any Employees Stock Option Scheme.

Composition

The Composition of the remuneration committee is as follows:

S.No	Name of the Director	Designation	Category
1	Mr. Sanjay Bhardwaj (Up to 9th November, 2007)	Chairman	Executive
2	Mr A Venkatramani (From 9th November,2007)	Chairman	Non-Executive
3	Mr K Rajagopal	Member	Independent
4	Mr R Sivashankaran	Member	Independent

Mr V Sivasubramanian, acts as a Secretary to the Committee.

During the year under review the committee met on 29th June, 2007 and 28th March 2008 to fix remuneration for Mrs Uma Karthikeyan Executive Director and submitted their recommendation to the Board for their consideration.

Details of Remuneration to Executive Directors

S.No	Name of the Director	Amount Paid (In Rs “000) Per Annum
1	Mr Sanjay Bhardwaj	Nil
2	Mr Sukumar Subramanian	909
3	Mrs Uma Karthikeyan	500

The amount paid to the Executive Directors is as per the approval of the Members in their general meeting.

Details of Remuneration to Non-Executive Directors

No remuneration was paid to the non-executive independent director during the year 2007-2008 and they have also waived the payment of sitting fees. All the four Non-Executive Directors does not hold any shares in Company as 31st March 2008 and no convertible instruments were issued to them during the year under review.

During the year under review there was no pecuniary relationship or transaction with the Non-Executive Directors.

Investors' Grievance and Share Transfer Committee

The Board has Constituted Investors Grievance and Share Transfer Committee which oversees share transfers and monitor investors grievances such as complaints on transfer of shares, non

receipt of balance sheet, non receipt of declared dividends etc., and redressal thereof, within the purview of the guidelines setout in the listing agreement.

Composition

The committee is headed by a Non-Executive and Independent Director. The composition of the committee and details of Attendance are as under:

S.No	Name of the Director	Designation	Category	Attendance	
				Held	Attended
1	Mr K Rajagopal	Chairman	Non Executive – Independent	23	23
2	Mr R Sivashankaran	Member	Non Executive – Independent	23	23
3	Mrs Uma Karthikeyan	Member	Executive	23	23

Mr V Sivasubramanian Company Secretary of the Company is the Compliance Officer of the Company.

During the year under review the Committee met Twenty Three times

The meetings were attended by all the members of the committee.

All the complaints received by the Registrars and Transfer agents of the Company during the year have been sorted out and the requisite information has been sent to the shareholders.

During the year under review, the Company had received four complaints from SEBI and Bombay Stock Exchange relating to the non issue of certificates, transfer of shares and all the complaints were disposed of within the stipulated time.

Shareholders

Disclosure regarding appointment and/or re-appointment of directors

Retiring Directors

Mrs Uma Karthikeyan and Mr K Rajagopal are retiring by rotation and are eligible for re-appointment and their brief profile are given below:

Mrs Uma Karthikeyan

Mrs. Uma Karthikeyan, aged 27 years is a qualified Chartered Accountant She has got more than 6 years of experience and has worked with Marico Industries Limited and Henkel India Limited, leading Indian FMCG Companies and handled corporate taxation and financial roles.

Directorships in other limited company:

She is independent director of Ennore Coke Limited

Committee positions:

Mrs Uma Karthikeyan is member of the Audit and Investor' grievance and share transfer Committee of this Company. She is also member of the Audit Committee for Ennore Coke Limited.

K Rajagopal

Mr. K Rajagopal, aged 49 years is a qualified Chartered Accountant and Company Secretary and has more than 22 years of experience and expertise in Software / Telecom Companies and has worked with companies like Cognizant Technologies

Directorships in other limited company:

Nil

Committee positions:

Mr K Rajagopal is the Member of the Audit Committee of the Company and the Chairman of Investor' grievance and share transfer Committee of this Company.

General Body Meetings:

The details of last three Annual General Meeting of the Company along with the No of Special Resolutions passed are as follows: -

Year	Date	Time	Venue	No of Special Resolutions Passed
2003 - 2004	17th December 2004	10.30 A.M	Mangayakarasi Magalir Mandram, No.3, 11th Cross Street, Shastri Nagar, Adayar, Chennai – 600 020	1(Appointment of Mr N S Baskar as Managing Director.)

Year	Date	Time	Venue	No of Special Resolutions Passed
2004 - 2006	12th May 2006	11.00 A.M	3 S V Salai, Rajasthan Jain Samaj, New No.131, Old No.66, Thyegaraya Road, Pandy Bazar, T Nagar, Chennai – 600 017	Nil
2006 - 2007	28th September, 2007	10.00 A.M	Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai - 600 004	Nil

All the resolutions including the special resolutions as set out in the respective notices were passed by the shareholders unanimously.

During the year under review, no special resolution was passed through Postal Ballot and as on date no resolution is proposed to be passed through Postal Ballot.

The details of Extraordinary General Meeting of the members held during the previous three financial years along with the No of Special Resolutions passed are as follows: -

Year	Date	Time	Venue	No of Special Resolutions Passed
2003-2004	-	-	-	-
2004-2006	-	-	-	-
2006-2007	2nd Jan. 07	11.00 AM	No.3 S V Salai, No.131, Thyagaraya Road, T Nagar, Chennai 600 017	Increase in Authorised Capital <ul style="list-style-type: none"> ■ Issue of GDRs ■ Further Issue of Shares ■ Increase in Limits under Section 293 (1) (a) of the Companies Act, 1956. ■ Increase in Limits under Section 293 (1) (d) of the Companies Act, 1956. ■ Increase in Limits under Section 372 A of the Companies Act, 1956.

During the Year under review an Extra Ordinary General Meeting was held on 4th December, 2007 at Hotel New Woodlands, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004 and all the Resolutions as set out in the notice were passed by the shareholders unanimously including a special resolution for issue of 5,30,000 equity shares and 16,70,000 fully convertible warrants on preferential basis @ Rs.55/- per share (Including Rs.45/- towards premium).

Disclosures

1) Management Discussion and Analysis Report.

The Detailed Management Discussion and Analysis Report are given separately in the Annual Report.

2) Material Transactions

There are no materially significant related party transactions having potential conflict with the interest of the Company at large.

3) Details of Non-Compliance, Penalties:

There has not been any non-compliance by the Company and no penalties or strictures imposed on the Company by Stock Exchange, SEBI or any other statutory authorities or any matter related to Capital markets, during the last three years. However the Bombay Stock Exchange has placed the scrip of the company under suspension till July 2006 and the suspension was revoked with effect from 14th July 2006.

4) Insider Trading

Comprehensive guidelines advising and cautioning the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of Sanra Software Limited are in place. In light of the SEBI (Insider Trading) Amendment Regulations, 2002, a fresh set of guidelines was issued by the company on the subject to the directors, officers and designated employees of the company. The code of conduct and corporate disclosure practices framed by the company helps in ensuring compliance with the amended regulations. The said code of conduct is also put up on the internal portal of the company.

5) Whistle Blower Policy

The Company has been consistently adopting professional and transparent policies in accordance with the global standards of best practices and governance. As a part of implementing the above, the company has put in place a Whistle Blower Policy to enable the employees to participate in fostering transparent practices in the organization. The said policy is also put up on the internal portal of the company.

The Company has complied with all the Mandatory requirements of Clause 49 of the listing agreement.

Details of Compliance of Non-Mandatory Requirement

The status of Compliance with Non-mandatory Requirement is as follows:

a. The Board

The Chairman of the Company is a Non-Executive Director. However the company does not maintain an office for him at the company's expense nor allowed reimbursement of expenses incurred in performance of his duties.

b. Remuneration Committee

The Company has a Board Governance Committee which also functions as the Remuneration Committee. The details of the said committee are given in the Annual Report.

c. Shareholders Rights

The Quarterly and Half yearly declaration of the Financial Results are posted on the website of the company and are also sent to the Stock exchanges, where the shares of the company are listed.

d. Audit Qualifications

The Company's financial statements are unqualified.

e. Training of Board Members

New Directors, on induction to the Board, are familiarized with the company's corporate profile, the corporate governance Code, Code of Conduct of Directors and Senior Management, Insider Trading Code and the company's policy for Unfair Trade Practices in Securities.

f. Evaluation of the Performance of the Non-Executive Directors

The Board evaluates the performance of the Non-Executive Directors every year.

g. Whistle Blower Policy

The Company has laid down Whistle Blower Policy, and the details of the said policy are given in the Annual Report.

Means of Communication to Shareholders

The Company communicates the developments taking place in the Company through Quarterly Results, Press Releases etc. The quarterly and annual financial results are published in Trinity Mirror and Makkal Kural. These are not sent individually to the Share Holders. These Results, Press Releases and Presentations are posted on the website of the Company at www.sanrasoft.com.

All the information about the company is promptly sent through facsimile, email and also by post to the Stock Exchange where the shares of the company are listed and are released to press for information of the public at large.

Brief resume of the Directors and other details as required under Clause 49 of the Listing Agreement in relation to the Directors proposed to be re-appointment at the ensuing Annual General Meeting (AGM) is given as a part of Notice convening the AGM.

General Shareholder Information:

(i) Annual General Meeting

The Next Annual General Meeting of the Company is proposed to held at 11.00 AM on 30th September 2008 at Hotel New Woodlands, Dr Radhakrishna Salai, Mylapore, Chennai 600 004.

(ii) Financial Year

Financial Year of the Company is from 1st April to 31st March.

(iii) Financial Calendar

The Financial Reporting for the Quarter are done as follows:

Quarter Ended 30th June 2007 – In July 2007

Quarter Ended 30th September – In October 2007

Quarter Ended 31st December 2007 – In January 2008

Quarter Ended 31st March 2008 – Not Published – Audited Results
of The Year in June 2008

(iv) Date of Book Closure

From 26th September 2008 to 30th September 2008.(Both days inclusive)

(v) Dividend Payment Date

The Dividend if approved by the members will be paid to all the shareholders within 30 days of the declaration i.e on or before 29th October 2008.

(vi) Listing on Stock Exchange

The equity shares of the company are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and Madras Stock Exchange Limited, Stock Exchange Building, 2nd Line Beach, Chennai – 600 001.

(vii) Stock Code

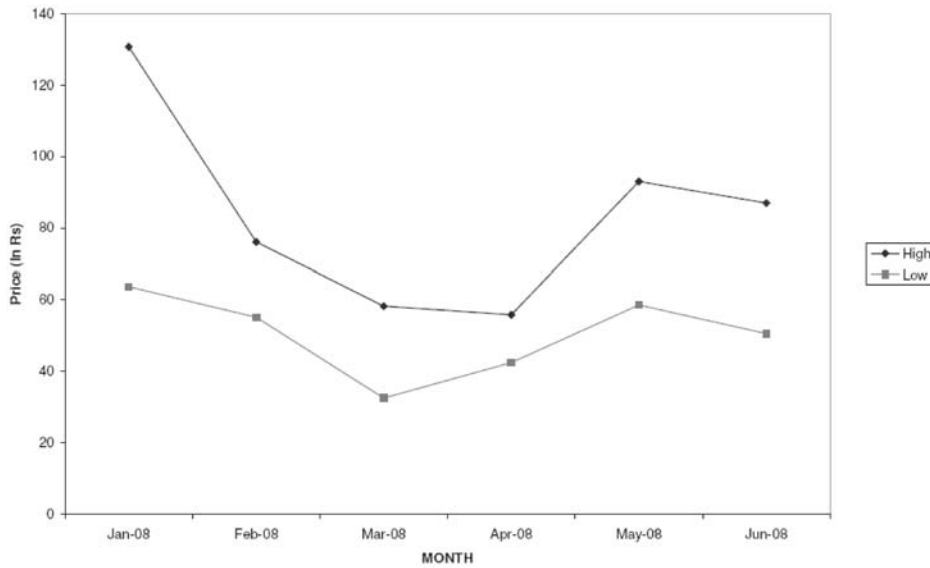
The Scrip Code of the Company in Bombay Stock Exchange Limited is 531312 and the company's shares are not traded in Madras Stock Exchange Limited. Under Depository System ISIN No. allotted to the Equity Shares of the Company is INE889C01014.

(viii) Market Price Data in Comparison with BSE Sensex:

Equity Share Price Data and Volume from 1st April 2007 to 31st March 2008 and BSE Sensex Data for the said period as per the information available on Bombay Stock Exchange website is as Follows:

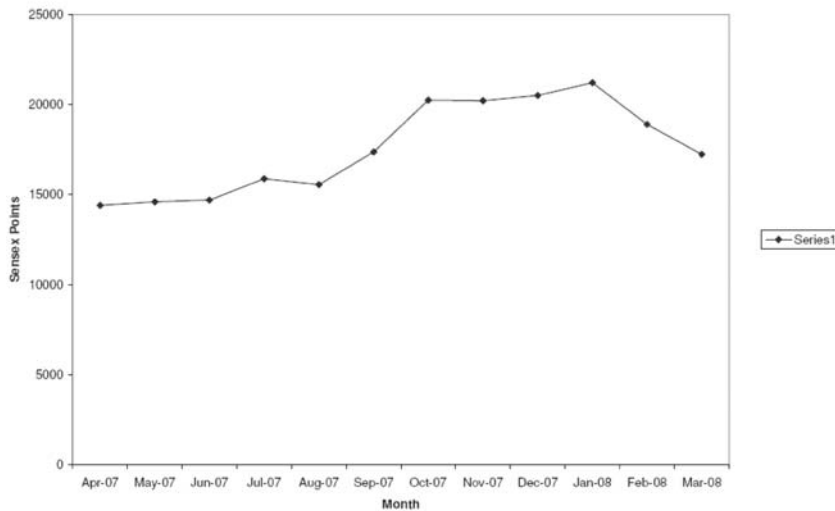
Month	Market Price and Volume of Trading of Equity Shares			BSE Sensex	
	High	Low	Volume	High	Low
04/2007	15.45	11.89	65620	14383.72	12425.52
05/2007	19.05	12.36	249296	14576.37	13562.95
06/2007	21.50	17.25	231838	14683.36	13946.99
07/2007	25.20	16.65	202351	15868.85	14638.88
08/2007	18.65	14.15	144938	15542.40	13779.88
09/2007	27.65	17.75	1110826	17361.47	15323.05
10/2007	65.20	27.25	1296687	20238.16	17144.58
11/2007	80.90	51.60	619296	20204.11	18182.83
12/2007	108.45	67.00	816577	20498.11	18886.40
01/2008	130.75	63.70	732551	21206.77	15332.42
02/2008	76.10	55.15	113662	18895.34	16457.74
03/2008	58.25	32.50	381193	17227.56	14677.24

Share Price Movement



SENSEX Movement for the Year.

Sensex Movements



(ix) Registrar and Transfer Agents

M/s. GNSA Infotech Private Ltd
 GR Mansion, 1st Floor, Srinivasan Road
 Pondy Bazar, T Nagar
 Chennai – 600 017. Tel. 044 – 42121428/29.
 Fax: 044 - .044-42121430
 e.mail: rdevasahayam@gnsaindia.com

(x) Share Transfer System

Share Transfer activities under the physical as well as demat mode are being carried out by GNSA Infotech Private Limited, Registrar and Transfer Agents of the Company. Physical Share Transfers are approved by Investor' Grievance and Share Transfer Committee of the Board of Directors.

(xi) Distribution of Shareholding as on 31st March 2008

Shares of nominal value of		No of Share holders		Share / Debenture amount	
Rs.	Rs.	Number	% to total	(In Rs.)	% to total
10	5,000	4715	85.35	988753	15.03
5,001	10,000	439	7.95	376333	5.72
10,001	20,000	176	3.19	281549	4.28
20,001	30,000	53	0.96	140077	2.13
30,001	40,000	37	0.67	137859	2.10
40,001	50,000	25	0.45	118134	1.80
50,001	1,00,000	32	0.58	234641	3.57
Above 1,00,000		47	0.85	4302654	65.39
TOTAL		5524	100.00	6580000	100.00

(xii) Dematerialization of Shares

The trading in the Company's Equity Shares on the Stock Exchanges are compulsorily traded in dematerialized form are available for dematerialization with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2008, 56,13,705 out of total 65,80,000 Equity Shares of the Company Equity Shares representing 85.31% of total shares have been dematerialised. The detailed break-up of shares as on 31st March 2008 is as follows:

Particulars	No. Of Shares	Percentage
CDSL	883168	13.42
NSDL	4730537	71.89
PHYSICAL	966295	14.69

(xiii) Shareholding Pattern as on 31st March 2008

category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares hold in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a perc entage of (A+B) ¹	As a per centage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group²					
(1)	Indian					
(d)	Bodies Corporate	2	2611600	2611600	39.69	39.69
(e)	Any Other (specify) Directors	2	30000	30000	0.46	0.46
	Sub-Total(A)(1)	4	2641600	2641600	40.15	40.15
(2)	Foreign					
	Sub-Total(A)(2)	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	4	2641600	2641600	40.15	40.15
(B)	Public shareholding³					
(1)	Institutions					
	Sub-Total (B)(1)	0	0	0	0.00	0.00
(2)	Non-institutions					
(a)	Bodies Corporate	163	927560	926260	14.10	14.10
(b)	Individuals					
	i. Individual shareholders holding nominal share capital up to Rs.1.lakh.	5307	2047519	1176624	31.12	31.12
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	32	937619	859819	14.25	14.25
(c)	Any Other (Non Resident Indians)	18	25702	9402	0.39	0.39
	Sub-Total (B)(2)	5520	3938400	2972105	59.85	59.85

category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares hold in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a perc entage of (A+B) ¹	As a per centage of (A+B+C)
	Total Public Shareholding (B)=(B)(1)+(B)(2)	5520	3938400	2972105	59.85	59.85
	TOTAL (A) + (B)	5524	6580000	5613705	100.00	100.00
(C)	Shares held by custodians and against which Depository Receipts have been issued	0	0	0	0	0
	GRAND TOTAL (A) + (B) + (C)	5524	6580000	5613705	100.00	100.00

(xiv) Plant Locations

The company being in the Service Sector, is not having any manufacturing or processing plants.

(xv) Address for Correspondences

Sanra Software Limited
 No.1 A, Eden Dale Apartments
 New No.7, Bishop Wallers Avenue (East)
 CIT Colony
 Mylapore
 Chennai - 600 004
 Tamilnadu

(xvi) Exclusive Email for Investors' Complaints:

redressal@sanrasoft.com

(xvii) Transfer of Unclaimed amounts to Investor Education and Protection Fund:

Pursuant to Section 205 C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven years from the date they become due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Due Date of Transfer to IEPF
2006-2007	28th September, 2007	24th October 2014

The Shareholders are advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the company before the due dates for crediting the same to the IEPF.

During the year under review no amount was credited to the Credit of Investor Education and Protection Fund pursuant to Section 205 C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of investors) Rules, 2001.

Declaration by Chief Executive Officer (CEO)

I, Sukumar Subramanian, Chief Executive Officer of Sanra Software Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31 March 2008 compliance with the code of conduct of the company laid down for them.

Sukumar Subramanian
Chief Executive Officer,
Chennai: 1st September 2008

Certificate by Chief Executive Officer (CEO)

I, Sukumar Subramanian, Chief Executive Officer of Sanra Software Limited hereby certify

1. That I have reviewed the financial statements and the cash flow statement for the year ended 31 March 2008 and that to the best of my knowledge and belief,
 - These statements do not contain **any** materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or volatile of the company's code of conduct.
3. That I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which I was aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That I have informed the auditors and the audit committee of:
 - Significant changes in internal control during the year;
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and

- Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Sukumar Subramanian
Chief Executive Officer
Sanra Software Limited

Chennai: 1st September 2008

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Sanra Software Limited for the year ended 31st March 2008 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 Corporate Governance as stipulated in the above mentioned listing agreement.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

Place :Chennai
Date : 9th June 2008

for R.RAVINDRAN & ASSOCIATES
CHARTERED ACCOUNTANTS

R.RAVINDRAN
Proprietor
Membership No 23829

AUDITOR'S REPORT

To
The Shareholders of **Sanra Software Limited**

We have audited the attached Balance Sheet of **Sanra Software Limited** as at 31st March 2008 and Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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.

- I. As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003) issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above, we report that:
 - (i) 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;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- (vi) In our opinion and to the best of my information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For R Ravindran & Associates
Chartered Accountants

Sd/-
R. RAVINDRAN
Proprietor
Membership No 23829

Chennai
09.06.2008

THE ANNEXURE REFERRED TO IN PARA 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF SANRA SOFTWARE LIMITED FOR THE YEAR ENDED 31ST MARCH 2008.

1.
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
 - b) All the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of its business. No material discrepancy was noticed on such verification.
 - c) The Company has not disposed off any part of its fixed assets during the year.
2.
 - a) The Company does not carry inventory, hence verification and valuation of inventory does not arise.
3.
 - a. The Company has not granted any secured or unsecured loans during the year to Companies listed in the Register maintained under Section 301 of the Companies Act, 1956.
 - b. The Company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. 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 purchase and sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5.
 - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, in respect of services and sales made in pursuance of contracts or agreements entered in the registers maintained under section 301 of the Companies Act 1956 and aggregating during the period to Rs. 50000/- or more made in respect of each party, the prices for such services and sales are reasonable having regard to the nature of services rendered.
6. The Company has not accepted any deposits from the public under section 58A of the Companies Act.
7. The Company has an internal audit system commensurate with its size.
8. The Provision of Section 209(1)(d) of the companies Act, 1956 regarding maintenance of Cost Records is not applicable to the company.
9. There are no undisputed amounts payable in respect of Wealth Tax, Sales Tax, Customs Duty and Excise duty as on 31st March 2008 outstanding for a period of more than six months from the date on which they became payable. The company has Income tax liability

for earlier year (Asst Year 2007-2008) of Rs. 1062515/- and current year service tax liability of Rs. 360074/- outstanding for more than six months .

10. The Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to the bank.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) of the order is not applicable.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. The Company has not dealt in trading in shares and other investments during the year under review.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause (xv) of the Order is not applicable.
16. The Company has taken a loan during the year for a project in software development. The loan funds were applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the company has raised funds on short-term basis and applied for long term uses.
18. The Company has made preferential allotment of shares to Mrs. Uma Karthikeyan Whole Time Director and Mr. Sukumar Subramanian, Executive Director covered in the Register maintained under section 301 of the Act.
19. The company has not issued any debenture during the period covered by our audit. Accordingly clause 4(xix) of the order is not applicable.
20. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place: Chennai
Date :09.06.2008

For R. Ravindran & Associates
Chartered Accountants

Sd/-
R. Ravindran
Proprietor
M No 23829

SANRA SOFTWARE LIMITED

Registered office: New No 7, Bshop Wallers Avenue(East), CIT Colony, Mylapore, Chennai 600004

BALANCE SHEET AS AT 31ST MARCH 2008

	SCHEDULE	31-Mar-08 Rs.	31-Mar-07 Rs.
SOURCE OF FUNDS			
Shareholders' Funds			
Share Capital	1	6 58 00 000	6 05 00 000
Reserves & Surplus	2	5 89 56 155	37 79 760
		12 47 56 155	6 42 79 760
Share Application Money		91 85 000	
Loan Funds			
Secured Loans	3	85 10 592	
Unsecured Loans	4	1 79 40 561	
		2 64 51 153	
Deferred Tax Liability		26 59 379	14 50 846
		16 30 51 687	6 57 30 606
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	9 08 87 711	6 22 69 121
Less: Depreciation		3 92 32 618	2 21 85 882
Net Block		5 16 55 093	4 00 83 239
Capital work in Progress		4 52 30 145	
		9 68 85 237	4 00 83 239
Current Assets, Loans and Advances			
Sundry Debtors	6	7 42 93 218	2 14 32 138
Cash & Bank Balances	7	18 80 089	11 26 017
Loans Advances	8	78 06 374	27 28 705
		8 39 79 681	2 52 86 861
Less : Current Liabilities & Provisions			
Current Liabilities	9	1 33 07 133	18 94 968
Provisions	10	1 03 62 393	55 52 919
		2 36 69 526	74 47 887
Net current Assets		6 03 10 155	1 78 38 973
Miscellaneous Expenditure (to the extent not written off)	11	58 56 295	78 08 393
		16 30 51 687	6 57 30 606
Notes on Accounts	18		

As per our Report of Even Date attached
For R Ravindran & Associates
Chartered Accountants

sd/-
R Ravindran
Proprietor

Membership No 23829
Chennai, 09.06.2008

sd/-
Siva Subramanian
Company Secretary

For and on behalf of the **Board**
sd/-

Uma Karthikeyan
Director

sd/-
Sukumar Subramanian
Director

SANRA SOFTWARE LIMITED

Registered office: New No 7, Bshop Wallers Avenue(East), CIT Colony, Mylapore, Chennai 600004

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

	SCHEDULE	31-Mar-08 Rs.	31-Mar-07 Rs.
Income			
Sales and Services	12	13 46 33 159	2 56 36 769
Other Income	13	11 35 182	1 75 000
		13 57 68 341	2 58 11 769
Expenditure			
Cost of Goods	14	-	3 18 700
Personnel Cost		2 06 64 974	36 98 424
Administrative and Other Expenses	15	2 30 01 204	39 43 924
Software development Expenses		2 50 01 500	-
Selling and Business Promotion Expenses	16	75 56 206	3 89 160
Finance Charges	17	6 62 919	-
Depreciation		1 70 46 736	1 13 86 151
		9 39 33 539	1 97 36 358
Profit Before tax		4 18 34 802	60 75 411
Provision for Taxation			
Current Tax		47 39 883	19 42 344
Deffered Tax		12 08 533	6 39 412
Fringe Benefit Tax		2 06 372	22 522
Profit After tax		3 56 80 014	34 71 133
Add: Unappropriated profits from Previous Year		27 79 760	28 91 740
Profit Available for Appropriation		3 84 59 773	63 62 873
Appropriations			
Proposed Dividend		37 21 200	30 25 000
Dividend Tax		6 32 418	5 58 113
Balance Carried over to Balance Sheet		3 41 06 155	27 79 760
		3 84 59 773	63 62 873
Earning Per Share (Basic & Diluted)		5.77	0.57
Notes on Accounts	18		

As per our Report of Even Date attached
 For R Ravindran & Associates
 Chartered Accountants

sd/-
R Ravindran
 Proprietor

Membership No 23829
 Chennai, 09.06.2008

sd/-
Siva Subramanian
 Company Secretary

For and on behalf of the **Board**
 sd/-
Uma Karthikeyan
 Director
 sd/-
Sukumar Subramanian
 Director

SANRA SOFTWARE LIMITED

Registered office: New No 7, Bshop Wallers Avenue(East), CIT Colony, Mylapore, Chennai 600004

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2008

	31-Mar-08 Rs.	31-Mar-07 Rs.
A. Cash flow from operating Activities		
Profit for the year	418.35	60.75
<u>Adjustments for</u>		
Depreciation	170.47	113.86
Miscellaneous expenses w/o	19.52	19.52
Interest Expenses	6.63	
Operating Income before working Capital Changes	614.97	194.14
<u>Adjustments for</u>		
Increase / decrease in Trade and other receivables	(528.61)	(52.60)
Increase / decrease in Loans & Advances	(50.78)	(18.88)
Increase / decrease in Inventory		3.19
Increase / decrease in Trade paybles	114.12	(11.36)
Cash inflow from operations	149.70	114.48
Interest Paid	6.63	
Net cash from Operations	143.07	114.48
	A	
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(738.49)	(104.03)
Net Cash used in Investing Activities	(738.49)	(104.03)
	B	
C. Cash flow from Financing Activites		
Increase in term loans	264.51	
Share application money	91.85	
Share capital & share Premium	291.50	
Dividend & Taxes paid	(35.83)	
Net Cash from Financing Activites	612.03	
	C	
Net increase in cash and cash equivalents (A+B+C)	16.61	10.45
Cash and Cash equivalents as at 1st April	11.26	0.81
Cash and Cash equivalents as at 31st March	27.59	11.26

As per our Report of Even Date attached
For R Ravindran & Associates
Chartered Accountants

sd/-
R Ravindran
Proprietor

Membership No 23829
Chennai, 09.06.2008

sd/-
Siva Subramanian
Company Secretary

For and on behalf of the **Board**
sd/-
Uma Karthikeyan
Director
sd/-
Sukumar Subramanian
Director

SANRA SOFTWARE LIMITED

Registered office: New No 7, Bshop Wallers Avenue(East), CIT Colony, Mylapore, Chennai 600004

SCHEDULES FORMING PART OF THE ACCOUNTS

	31-Mar-08 Rs.	31-Mar-07 Rs.
Schedule 1		
Share Capital		
<u>Authorised Share Capital</u> 1,05,00,000 Equity Shares of Rs. 10/- each	10 50 00 000	10 50 00 000
<u>Issued, Subscribed and Paidup Capital</u> 60,50,000 Equity Shares of Rs. 10/- each 65,80,000 Equity Shares of Rs. 10/- each	6 58 00 000	6 05 00 000
	6 58 00 000	6 05 00 000
Schedule 2		
Reserves & Surplus		
Share Premium Account	2 48 50 000	10 00 000
Balance in Profit & Loss Account	3 41 06 155	27 79 760
	5 89 56 155	37 79 760
Schedule 3		
Secured Loans		
Banks (Secured on hypethecation of Equipments)	45 13 592	
Others (Secured on hypethecation of Automobiles)	39 97 000	
	85 10 592	
Schedule 4		
Unsecured Loans		
Inter corporate loans	1 79 40 561	
	1 79 40 561	

SANRA SOFTWARE LIMITED
Registered office: New No 7, Bshop Wallers Avenue(East), CIT Colony, Mylapore, Chennai 600004

SCHEDULES FORMING PART OF THE ACCOUNTS

31-Mar-08

**Schedule 5
FIXED ASSETS**

Assets	Gross Block			Depreciation / amortisation		Net Block		
	At Cost as on 01.04.2007	Additions during the period	Deletions during the period	Cost as on 31-Mar-08	Accumulated Depreciation for the year 01.04.2007	Accumulated Depn upto 31-Mar-08	as at 31-Mar-07	as at 31-Mar-08
Assets subject to Depreciation								
1. Plant & Machinery	44 27 763	14 04 939		58 32 702	39 77 601	41 88 373	4 50 162	16 44 329
2. Office Equipments	9 93 556			9 93 556	5 33 328	6 16 629	4 60 228	3 76 927
3. Computer & Accessory	56 35 785	1 60 43 043		2 16 78 828	5 38 177	63 33 524	50 97 608	1 53 45 304
4. Furniture & Fixtures	13 58 918	48 80 608		62 39 526	5 96 173	14 47 162	7 62 745	47 92 364
5. Vehicles		62 90 000		62 90 000		1 35 707		61 54 293
Assets subject to Amortisation								
5. Goodwill	36 98 405			36 98 405	7 39 681	14 79 362	29 58 724	22 19 043
6. Software	4 61 54 694			4 61 54 694	1 58 00 922	2 50 31 861	3 03 53 772	2 11 22 833
	6 22 69 121	2 86 18 590		9 08 87 711	2 21 85 882	3 92 32 618	4 00 83 239	5 16 55 093
Previous Year	5 18 66 331	1 04 02 790		6 22 69 121	1 07 99 731	2 21 85 882	4 10 66 500	4 00 83 239

SANRA SOFTWARE LIMITED

Registered office: New No 7, Bshop Wallers Avenue(East), CIT Colony, Mylapore, Chennai 600004

SCHEDULES FORMING PART OF THE ACCOUNTS

	31-Mar-08 Rs.	31-Mar-07 Rs.
Schedule 6		
Sundry Debtors (Unsecured considered good at for which the Company holds no security other than Debtor's personal security)		
Debts due for more than six months	80 61 137	1 93 92 295
Other Debts	6 62 32 081	20 39 843
	7 42 93 218	2 14 32 138
Schedule 7		
Cash and Bank Balances:		
Cash in Hand	87 071	3 272
Bank balance with Scheduled Banks in Current Account	17 93 016	11 22 747
	18 80 087	11 26 019
Schedule 8		
Loans, Advances & Deposits (Unsecured, Considered good)		
Deposits with Government Authorities	5 428	5 428
Other Deposits	14 800	5 300
Rental deposits	33 00 000	7 50 000
Advances Recoverable in Cash / Kind	44 86 146	19 67 977
	78 06 374	27 28 705
Schedule 9		
Current Liabilities		
Sundry Creditors		
- Creditors for Capital Goods	41 07 964	1 63 462
- Creditors for Purchases		27 795
- Creditors for Expenses	36 82 596	
- Creditors for Others	28 75 000	9 45 507
Other liabilities		1 73 785
Statutory Dues	26 41 573	5 84 419
	1 33 07 133	18 94 968
Schedule 10		
Provisions		
Provision for Taxation	60 08 775	19 69 806
Dividend payable(Include Dividend Tax)	43 53 618	35 83 113
	1 03 62 393	55 52 919

SANRA SOFTWARE LIMITED

Registered office: New No 7, Bshop Wallers Avenue(East), CIT Colony, Mylapore, Chennai 600004

SCHEDULES FORMING PART OF THE ACCOUNTS

	31-Mar-08 Rs.	31-Mar-07 Rs.
Schedule 11		
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Deferred Revenue Expenditure	58 56 295	78 08 393
	58 56 295	78 08 393
Schedule 12		
Sales / service		
STPI Sales / Services	6 00 45 285	
Other Sales / Services	7 45 87 874	2 56 36 769
	13 46 33 159	2 56 36 769
Schedule 13		
Other Income		
Interest on bank deposits	90 522	
Tax proviion w/o	9 23 838	
Foeign currency fluctuation income	39 828	
Others	80 994	1 75 000
	11 35 182	1 75 000
Schedule 14		
Cost of Materials Consumed		
Opening Stocks		3 18 700
Add: Purchases		
Less : Closing Stock		
Consumption		3 18 700

SANRA SOFTWARE LIMITED

Registered office: New No 7, Bshop Wallers Avenue(East), CIT Colony, Mylapore, Chennai 600004

SCHEDULES FORMING PART OF THE ACCOUNTS

	31-Mar-08 Rs.	31-Mar-07 Rs.
Schedule 15		
Adminstrative and Other Expenses		
Rent, Rates & Taxes	11 93 725	3 50 000
Communication Expenses	4 49 016	1 70 785
Travelling & Conveyance		60 063
Deferred Revenue Expenses Write Off	19 52 098	19 52 098
Printing Stationary	5 68 352	86 843
Electricity Charges	11 34 197	1 28 516
Repairs & Maintenance	8 63 179	1 13 102
Staff Welfare Expenses	2 60 041	52 388
Audit Fee	2 13 484	1 40 372
Legal Expenses	20 320	
Professional and Consultancy Charges	40 98 925	2 86 482
Baddebts wirtten off	1 07 03 509	
Registrations & Renewals	3 49 396	3 52 870
Security charges	1 64 785	52 433
Other Administrative expenses	10 30 178	1 97 972
	2 30 01 204	39 43 924
Schedule 16		
Selling and Business Promotion Expenses		
Advertisement and Publicity	11 39 754	1 67 670
Business Promotion Expenses	39 47 490	26 172
Commission on Sales and Services	1 51 047	
Travelling and Conveyance Expenses	23 17 916	1 95 318
	75 56 206	3 89 160
Schedule 17		
Finance Charges		
Interest on loans	5 53 368	
Processing Fees - ICICI Loan	1 09 551	
	6 62 919	

SCHEDULE – 18

NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2008

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

- i) The Financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said Financial statements comply with the relevant provisions of the Companies Act, 1956 and the mandatory Accounting Standards to the extent they are applicable.
- ii) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

2. Use of Estimates

The preparation of the financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements, and the reported amounts of revenue and expenses during the reported period like useful lives of fixed assets, provision for taxation etc. Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results may vary from these estimates.

3. Fixed Assets

- i) Fixed assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the asset.
- ii) Software (asset) represents the capitalized cost of expenditure such as rent, salaries, relevant overheads, as well as test marketing the expenses incurred in the development of the software.
- iii) Goodwill represents the difference between the purchase price and the book value of assets and liabilities acquired.

Expenditures and advances till the date of balance sheet in respect of facilities at the office and production centre are recognized as Capital Work in Progress

4. Depreciation / Amortization

- i) Individual assets acquired for less than Rs 5000/- are entirely depreciated in the year of acquisition.
- ii) Depreciation on other Fixed Assets have been provided on written down value on a pro rata monthly basis at the rates specified in Schedule XIV of the companies Act, 1956.
- iii) Intangible assets are amortized on straight line basis on an estimated life of five years.

5. Inventories

Inventory represents software products and is valued at the lower of the cost or net realizable values.

6. Revenue recognition

Software development services revenue is recognized on proportionate completion method.

7. Foreign currency transactions

Foreign currency transactions are recorded at the rates prevailing on the date of rendering of services. Exchange differences arising upon collection from such transactions are charged or credited to the profit and loss account.

8. Retirement Benefits

Contributions to Provident Fund are charged to revenue as per applicable rules / statutes.

9. Deferred revenue expenditure

- i) The company has accumulated in the earlier years Development expenses on software as deferred revenue expenditure.
- ii) The company has written off proportionate expenditure on straight line method, as per the policy to write it off over ten year period.

10. Taxes on Income

- i) Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with provisions of the income tax act, 1961.

- ii) Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the Balance sheet date.
- iii) Deferred tax assets are recognized only if there is a virtual certainty that there will be realized and reviewed for the appropriateness of their carrying values at each Balance sheet date.

11. Provisions, Contingent Liabilities and Contingent Assets

- i) A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet and adjusted to reflect the current best estimates.
- ii) Contingent Liability is disclosed for possible obligation which will be confirmed only by future events not wholly within the control of the company (or) Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount of obligation cannot be made.
- iii) Contingent asset not recognized in the Financial statements since this may result in the recognition of income that may never realized.

12. Interim Financial Reporting

The company has adopted in the preparation of interim financial statements, the accounting policies, consistent with those of the annual financial statements.

NOTES TO ACCOUNTS

1. Preferential allotment

- i) The company during the year raised fresh capital of Rs 53,00,000/- and share premium of Rs 2,38,50,000/- by issue on preferential basis 5,30,000 equity shares of Rs. 10/- each at Rs. 55 per share.
- ii) The company also issued 16, 70,000/- convertible warrants on preferential basis of Rs 10/- each and raised share warrant upfront money of Rs 91,85,000/- (i.e. 10% of the Price money – Rs.5.50/- Per Share) with an option to convert into equity shares within 18 months at a price as per the guidelines in force.

- iii) The object of the Issue is to fund the expansion of the animation studio and working capital.

2. Software Technology Parks Scheme

The company has setup at Chennai, a hundred per cent export oriented unit under the Software Technology Park Scheme. The company has availed tax exemption on such scheme in accordance with the provision of the income tax Act, 1961.

3. Receivables

Periodically the company evaluates all the customer dues to the company for collectibles and suitable provision is made based on various factors including experience of the company, ability of the customer and other factors which could affect the customers' ability to settle.

The company has reconstructed its receivables through asset reconstruction arrangements and has charged the profit and loss the value of unrealisable dues.

4. Earning per share

- (a) There are no potential equity shares and therefore the basic and diluted EPS are the same.
- (b) The calculation of the basic and diluted Earning per share is based on the following data:

Particulars	2007-2008	2006-2007
Net Profit for the year	(Rs.) 3,56,80,014	Rs.34,71,133
Weighted Average Number of Equity Shares Outstanding during the year	61,82,500	60,50,000
Basic as well as Diluted Earnings per Share (Face Value of Rs.10/- Each)	Rs.5.77	Rs.0.57

5. Deferred Tax Liability

Break up of Net Deferred Tax Liability is as under

Particulars	31.03.2008	31.03.2007
Deferred Tax Asset (A)	Nil	Nil
Deferred Tax Liability arising out of Timing Difference Relating to : 1. Depreciation (B)	Rs.26, 59,379	Rs.14,50,846
Net Deferred Tax Liability (A-B)	(26,59,379)	(14,50,846)

6. Managerial Remuneration

Particulars	2007-2008	2006-2007
Profit Before Tax	Rs.4,18,34,802	
Add Director's Remuneration	Rs.14,09,450	
Profits for the purpose of Managerial remuneration	Rs.4,32,33,700	
Maximum Remuneration Payable (5 % thereon)	Rs.21,62,213	NIL
Remuneration Paid Mrs. Uma Karthikeyan (Whole Time Director)	Rs.5,00,450	
Mr Sukumar Subramanian - (Executive Director)	Rs. 9,09,000	
Total Managerial Remuneration Paid	Rs.14,09,450/-	NIL

7. Remuneration to Statutory Auditors

Particulars	2007-2008	2006-2007
Statutory Audit Fee	Rs.45,000	Rs.30,000
Tax Audit	Rs.15,000	Rs.15,000
Certification	Rs.40,000	Rs.40,000
Service Tax	Rs.12,360	Rs.15,308

8. Quantitative Particulars

Company is engaged in the development of application software. The production and sales of such software cannot be expressed in any generic unit. Hence it is not possible to give quantitative details of sales and certain information as required under paragraph 3, 4C, and 4D of Part II or Schedule VI of the Companies Act, 1956.

The company did not carry inventory at the year end.

9. Segment Reporting

The Company is primarily engaged in the business of production and services of animation and media related programs. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic operations other than India. As such there are no separate reportable segments as per AS-17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India.

10. Related Party Disclosure

Relative of Directors

NIL

Group Companies

NIL

Key Management Personnel

Mrs. Uma Karthikeyan (Whole Time Director – Director Finance)

Mr. Sukumar Subramaniam (Executive Director - Chief Executive Officer)

11. Disclosures under Listing Agreement

As required by the amendment to Clause 32 of the listing agreement vide SEBI circular no. 2 / 2003 of 10th January, 2003, the following disclosure are made:

- Loans and advances in the nature of loans to subsidiaries: Not Applicable.
- Loans and advances in the nature of loans to associates: Not Applicable.
- Loans and advances in the nature of loans to firms / companies in which directors are interested: Nil
- Investments by the Loan in the shares of the Company as on 31st March 2008: Nil.

12. Accounting Period

The accounting period is twelve months from 01.04.2007 to 31.03.2008

13. Managerial assertions

- No amount is due to Small Scale Ancillary Industrial Undertakings.
- In the opinion of the Board of Directors, the Current Assets, Loans and Advances shown are of the approximate value, if realized, in the ordinary course of business and adequate provisions are made for all known liabilities.
- Debit and Credit balances are subject to confirmation or reconciliation.
- Expenditure incurred on employees in receipt of remuneration of not less than Rs. 24 lakhs per annum, where employed throughout the period or not less than Rs. 2,00,000/ - per month, where employed for a part of the period is NIL.

14. Contingent Liabilities not provided for

S.No	Name of the Statue	Name of Dues	31.03.2008 (Rs)	31.03.2007 (Rs)	From Where the Dispute is Pending
1	Income Tax, Act, 1961	Income Tax	16,67,632	56,81,456	CIT & ITAT (Appeals)

15. Regrouping

Previous year's figures have been re-grouped to confirm to the presentation of current year's accounts.

As per our Report of Even Date attached

sd/-

R Ravindran

Proprietor

Membership No 23829

Chennai, 09.06.2008

sd/-

Siva Subramanian

Company Secretary

For and on behalf of the **Board**

sd/-

Uma Karthikeyan

Director

sd/-

Sukumar Subramanian

Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No	:	31194	State Code	:	18
Balance Sheet Date	:	31.03.2008			

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	:	NIL	Rights Issue	:	5300
Bonus Issue	:	NIL	Private Placement	:	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	:	163051	Total Assets	:	163051
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Sources of Funds

Paid up Capital	:	65800	Reserves & Surplus	:	58956
Secured Loans	:	8510	Unsecured Loans	:	17941
Deferred Tax Liability	:	2659	Share Application Money	:	9185

Application of Funds

Net Fixed Assets	:	51655	Investments	:	NIL
Net Current Assets	:	60310	Misc. Expenditure	:	5856
Accumulated Losses	:	Nil	Capital Work-In-Progress	:	45230

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

Turnover	:	135768	Total Expenditure	:	93934
Profit/Loss Before Tax	:	41835	Profit/Loss After Tax	:	35680
Earnings Per Share in Rs	:	5.77	Dividend Rate %	:	1.4

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	:	-----
Product Description	:	Production of Animation content, computer technology oriented gamed and other new media technonology services

For Sanra Software Ltd.,

(Sukumar Subramanian)
Director

(Uma Karthikeyan)
Director

Date : 9th June 2008

SANRA SOFTWARE LIMITED

Regd Off : 1 A Eden Dale Apartment, New No.7, Bishop Wallers Avenue (East),
CIT Colony, Mylapore, Chennai - 600 018

Client ID :
DP ID :
Folio No :
No. Of shares :

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

NAME OF THE ATTENDING MEMBER/PROXY (IN BLOCK LETTERS) :

I hereby record my presence at the Twelfth Annual General Meeting held at 11.00 am on 30th September, 2008 at Hotel New Woodlands, Dr Radhakrishna Road, Mylapore, Chennai 600 004

SIGNATURE OF THE MEMBER/PROXY

FORM OF PROXY

SANRA SOFTWARE LTD

Regd Off : 1 A Eden Dale Apartment, New No.7, Bishop Wallers Avenue (East),
CIT Colony, Mylapore, Chennai – 600 018

Folio No:

I / We of in the district of being a member(s) of the above-named company, hereby appoint of in the district of or failing him of in the district of as my/ our proxy to vote for me/ us on my/ our behalf at the Annual General Meeting of the company to be held on the 30th September, 2008 at 11.00 A.M and at any adjournment thereof.

Signed this day of 2008

Folio No	
No. of shares held	
Client ID No.	

Affix 0.50P
Revenue
Stamp

Signature

Note: Form of proxy duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

BOOK-POST

To,

If undelivered please return to :

SANRA SOFTWARE LIMITED

1A, Eden Dale Apartments, New No.7 (Old No.6)
Bishop Wallers Avenue (East), CIT Nagar, Mylapore, Chennai - 600 004.