

BLUE

Information Techonology Ltd.

6th Annual Report 1997-98

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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Board of Directors : Mr. Dhaval A. Jhaveri
Mr. R. S. Jhaveri
Mrs. Seema D. Jhaveri
Mr. V. K. Gupta
Mr. K. C. Gupta
Mrs. Milan A. Trivedi

Bankers : Allabhabad Bank
Union Bank of India

Auditors : Bipin Shah & Associates
Chartered Accountants

Registered Office : 333, Sarvodaya Commercial Centre,
Salapose Road, Nr. G.P.O.,
Ahmedabad - 380 001.

Corporate Office : 205-206, Peacock Court,
Shahpurjat, Panchsheel,
New Delhi - 110 049.

BLUE

Information Technology Ltd.

NOTICE

NOTICE IS HEREBY GIVEN THAT the Sixth Annual Meeting of the members of **BLUE INFORMATION TECHNOLOGY LTD.** will be held at the Registered office of the Company at 333, Sarvodaya Commercial Complex, Salapose Road, Near GPO, Ahmedabad - 380 001, of Monday, the 28th day of September, 1998 at 12.30 pm to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To declare a dividend.

SPECIAL BUSINESS

3. To appoint a director in place of Mr. Dhaval A. Jhaveri who had been appointed as Additional Director for the year 1997-98 and being eligible offers himself for election as Director.
RESOLVED that Mr. Dhaval A. Jhaveri, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 proposing his candidature for the office of director, be and is hereby appointed a Director of the Company.
4. To appoint a director in place of Mrs. Seema D. Jhaveri who had been appointed as Additional Director for the year 1997-98 and being eligible offers herself for election as Director.
RESOLVED that Mrs. Seema D. Jhaveri, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 proposing her candidature for the office of director, be and is hereby appointed a Director of the Company.
5. To appoint a director in place of Mrs. Milan A. Trivedi who had been appointed as Additional Director for the year 1997-98 and being eligible offers herself for election as Director.
RESOLVED that Mrs. Milan A. Trivedi, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 proposing her candidature for the office of director, be and is hereby appointed a Director of the Company.
6. To appoint Auditors and fix their remuneration.

Place : Ahmedabad
Dated : 25th June, 1998.

By Order of the Board

Dhaval A. Jhaveri
Chairman

NOTES :

1. The relative Explanatory Statement pursuant to section 173 of the Companies Act, 1956 in respect of the business under Item no. 3 to 5 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER. A Proxy, in order to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 14th day of September 1998 to Friday, the 18th day of September, 1998 (both days inclusive.)
The dividend as recommended by the Directors for the year ended 31st March, 1998, if passed at the Meeting, will be made payable on or after 30th September, 1998 to those members whose names appear on the Register of Members of the Company on 14th September, 1998.
Members are requested to send their queries, if any, at least 7 days in advance of the Meeting so that the information can be made available at the Meeting.
Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.

ANNEXURE TO THE NOTICE**Explanatory Statement as Required Under Section 173 of the Companies Act, 1956.**

The following Explanatory Statement sets out all the material facts relating to business under Item nos. 3 to 5 mentioned in the accompanying Notice :

Item No. 3

Mr. Dhaval A. Jhaveri, was appointed an Additional Director of the Company on 17 th day of January, 1998 by the Board of Directors of the Company. According to the provisions of section 260 of the Companies Act, 1956, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required by section 257 of the Act, a notice has been received from member signifying his intention to propose his appointment as a Director at the forthcoming Annual General Meeting, along with a deposit of Rupees Five hundred. The Board considers it desirable that the Company should continue to avail itself of his services. Except Mr. Dhaval A. Jhaveri and Mrs. Seema D. Jhaveri, who is the wife of Mr. Dhaval A. Jhaveri, no other director is concerned or interested in the above resolution.

Item No. 4

Mrs. Seema D. Jhaveri, was appointed an Additional Director of the Company on 17 th day of January, 1998 by the Board of Directors of the Company. According to the provisions of section 260 of the Companies Act, 1956, she holds office as Director only up to the date of, the ensuing Annual General Meeting. As required by section 257 of the Act, a notice has been received from member signifying his intention to propose her appointment as a Director at the forthcoming Annual General Meeting, along with a deposit of Rupees Five hundred. The Board considers it desirable that the Company should continue to avail itself of her services. Except Mrs. Seema D. Jhaveri and Mr. Dhaval A. Jhaveri who is the husband of Mrs. Seema D. Jhaveri, no other director is concerned or interested in the above resolution.

Item No. 5

Mrs. Milan A. Trivedi was appointed an Additional Director of the Company on 17 th day of January, 1998 by the Board of Directors of the Company. According to the provisions of section 260 of the Companies Act, 1956, she holds office as Director only up to the date of the ensuing Annual General Meeting. As required by section 257 of the Act, a notice has been received from member signifying his intention to propose her appointment as a Director at the forthcoming Annual General Meeting, along with a deposit of Rupees Five hundred. The Board considers it desirable that the Company should continue to avail itself of her services. Except Mrs. Milan A. Trivedi no other director is concerned or interested in the above resolution.

Place : Ahmedabad
Dated : 25th June, 1998.

Registered Office:
333, Sarvodaya Commercial Complex,
Salapose Road, Near G.P.O.,
Ahmedabad - 380 001.

By Order of the Board

Dhaval A. Jhaveri
Chairman

BLUE

Information Technology Ltd.

Dear Shareholder

"From the Chairman" It gives me great pleasure to present to you details of the activities of your Company.

The world is passing through a phase where information technology is not just growing in usage but the speed with which this is happening is becoming increasingly fast.

Your company has developed products which make information availability fast and with precision. These have been successful, particularly in the domestic market. However, infotech involves areas of technology where fast-paced changes become visible very soon and accordingly your Company has already initiated work on making these ranges of products, for text and document management, available for large potential usage in internet related environments.

The Indian software industry has grown steadily and its performance will surpass all sectors in terms of stability, growth and profitability. Emerging opportunities are increasingly visible and attractive markets have opened up, particularly with the 'Euro' conversion projects.

I am pleased to inform you that your Company has initiated steps to get a good market share of the 'Euro' conversion led opportunity. This presents a better value addition possibility than Y2K (Year 2000) projects which were only technical changes in software. The 'Euro' conversion requires technical as well as business process change, thereby increasing possibilities of value addition.

Although the "Euro" currency induction is to occur in a few years, large European corporations have already started their conversion work, alongwith their entire supply and distribution chains.

I am confident that your Company will continue to enhance its working and increase its market share in future years.

During the current year, I am happy to inform that your Company has achieved a turnover of Rs. 52.00 Crores and a profit of Rs. 25.70 Crores.

The Company also completed the development phase of the prestigious COMPSTRAT software for UNIDO. Further induction of the COMSTRAT software can present your Company with a unique opportunity for growth and it is expected to start COMPSTRAT client site projects in the coming year.

Dhaval A. Jhaveri
Chairman

DIRECTORS' REPORT**1. HIGHLIGHTS OF OPERATIONS :**

Infotech involves areas of technology where fast paced changes become visible very soon and accordingly your company has initiated work on making the existing range of products for text and document management available for large potential usage in internet related environments. During the current year, your Company has achieved a turnover of Rs. 52 crores and a profit of Rs. 25.70 crores.

2. DIVIDEND :

Your directors are pleased to have recommended a 100% Interim dividend on the Equity Capital of Rs. 5.35 crores for the first quarter of the financial year ended June 30, 1997, a further 100% interim dividend on the expanded Equity Capital of Rs. 10.85 crores for the second quarter ended September 30, 1997 and a final dividend of 50% for the financial year ended March 31, 1998.

3. CONVERSION OF LOAN INTO EQUITY :

In the year 1996-97, the Company had borrowed a sum of Rs. 5.50 crores to expand its activities to a larger scale. This loan agreement carried a clause of conversion into equity, if interest was not paid for 2 consecutive quarters, at the option of the lender. Since the Company could not pay interest due to non-receipt of call monies, the lender decided to convert its loan into equity. This equity, duly allotted, is non-transferable for 3 years from the date of allotment.

4. INDUSTRIAL RELATIONS :

The Company maintained cordial working relations with its employees through out the year.

5. FIXED DEPOSITS :

The Company did not accept any Fixed Deposit during the year under review.

There were no deposits lying unclaimed as on 31st March, 1998.

6. CONSERVATION OF ENERGY :

Power is not a major input in the manufacturing process of the Company's plant and therefore no substantial conservation of energy is possible. However, greater awareness has been brought about among the entire work force at the Company's manufacturing unit to reduce the consumption of energy and in particular to avoid wastages.

7. TECHNOLOGY IMPORT AND ABSORPTION :

Company's Manufacturing process is based mainly on indigenous technology. The company has not imported any Machinery or Technology during the year.

8. FOREIGN EXCHANGE OUTGO :

Details are given in Note No. 11-B-2 under Schedule No. 13 to the Accounts.

9. DIRECTORS :

Mr. Dhaval A. Jhaveri has been appointed as Additional Director for the year 1997-98 and offers himself for election as Director at the coming Annual General Meeting.

Mrs. Seema D. Jhaveri has been appointed as Additional Director for the year 1997-98 and offers herself for election as Director at the coming Annual General Meeting.

Mrs. Milan A. Trivedi has been appointed as Additional Director for the year 1997-98 and offers herself for election as Director at the coming Annual General Meeting.