

DATAPRO INFORMATION TECHNOLOGY LTD.

ANNUAL REPORT 1996-97

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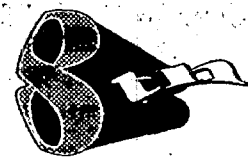
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DATAPRO INFORMATION TECHNOLOGY LIMITED



ANNUAL REPORT 1996-97

DIRECTORS

Rajeev Arora
(Chairman & Managing Director)
Dr. S.S. Sundararajan
T.N. Sundar
Deepak Kamdar
A.D. Narula
G.S. Kelkar
Anand Bhatt
Ashok Someshwar
Mrs. Punam Arora

AUDITORS

Chetan D. Kadam & Co.
Chartered Accountants
7-A, Shaheen Apartments,
2nd Floor, 132, Modi Street,
Fort, Mumbai 400 001.

BANKERS

Oriental Bank of Commerce
Central Bank of India
Indian Bank

SOLICITORS

Wadia Ghandy & Co.
N.M. Wadia Bldg.,
123, Mahatma Gandhi Road,
Mumbai 400 023

REGISTERED OFFICE

EL-21, Electronic Zone, MIDC,
Bhosari, Pune - 411 026

REGISTRARS AND SHARE TRANSFER AGENTS

Western India Securities Ltd.
7/4, Annurekha Society,
1st Floor,
Karve Nagar
Pune 411 052

NOTICE

Notice is hereby given that the Eighth Annual General Meeting of Datapro Information Technology Limited will be held at Hotel Kundan Palace, Opp. Bajaj Tempo, Mumbair-Pune Road, Akurdi, Pune - 35 on Tuesday the 30th September 1997 at 11.00 am to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Balance Sheet as at 31st March 1997, and the Profit and Loss Account for the year ended 31st March, 1997 together with report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Someshwar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Girish Kelkar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anand Bhat, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

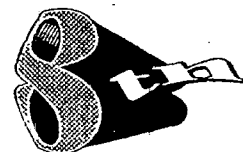
By Order of the Board of Directors

Place : Pune
Date : 13th August, 1997

RAJEEV ARORA
CHAIRMAN AND MANAGING DIRECTOR

NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The Share Transfer Books of the Company will remain closed on 29th September 1997 being the record date.
3. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.

DATAPRO INFORMATION TECHNOLOGY LIMITED**ANNUAL REPORT 1996-97****DIRECTORS' REPORT**

To,
THE MEMBERS,

Your Directors are glad to present the Eighth Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 1997.

1. FINANCIAL RESULTS :

	For the Year ended 31.3.1997	(Amount in Rs.) For the Year ended 31.3.1996
Income	6,38,10,590	7,03,64,103
Profit / (Loss) before tax	(2,43,96,247)	61,53,403
Provision for taxation.....	—	—
Profit / (Loss) after tax	(2,43,96,247)	61,53,403
Balance brought forward.....	68,63,719	7,10,316
Balance carried forward	(1,75,32,528)	68,63,719

2. Operations :

The Income of the company during the year was Rs.6,38,10,590 and the Expenditure was Rs.8,82,06,837. The working of the company has resulted in a Net Loss of Rs.2,43,96,247. The growth rate in E-Mail industry during the financial year 1996-97 has been slow. Your Directors have taken steps to incorporate more value added services which will probably get commissioned in the current financial year and feel confident that this will result in increase in revenue during the current financial year.

3. Dividend

The Directors are unable to recommend any dividend for the year ended 31st March 1997.

4. Auditors Observations in the Accounts**4.1 Point No. 2.7 of the Auditors Report**

As mentioned in the previous year the Memorandum of Understanding entered into between the company and Xee-Centres will enable the company to receive the one time fees before launch of the centre. The Board is confident of receiving the same and the necessary steps are being initiated.

4.2 Point No. 2.6 of the Auditors Report

The amount which has been advanced referred to is still receivable. The Directors have initiated both criminal and civil proceeding against Good Earth Organics Ltd. and their Directors. The Directors are happy to inform that the Gujarat High Court has appointed provisional liquidator towards whom the Directors look up with hope to receive the money.



4.3 Point No. 2.8 of the Auditors Report

The change in the accounting policy for accounting of subscription revenue has been done so that the policy matches in essence with the nature of the transaction. Under the agreement with Xee-subscribers the company can raise a bill for annual subscription, the moment the E-Mail service is installed and this amount is not refundable.

4.4 Point No. 2.4 of the Auditors Report

The Directors have taken steps in the area of Accounts receivable and are in the process of obtaining confirmations in the current year

4.5 Point No. 3.15 of the Auditors Report

The Directors have also realised the need for strengthening the existing internal audit system and have already taken the necessary steps in that direction.

5. Directors :

Mr. Ashok Someshwar, Mr. Girish Kelkar and Mr. Anand Bhatt Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board proposes their reappointment.

6. Auditors :

The retiring Auditors M/s. Chetan D. Kadam & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. The Auditors being eligible offer themselves for reappointment. The Directors recommend their reappointment.

7. Particulars of Employees :

None of the employees are covered under the Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING :

A) Conservation of Energy, Technology Absorption :

The Company's operation involves low energy consumption. The company has maintained its efforts for achieving further energy conservation.

B) Research and Development

i) Specific areas of R&D

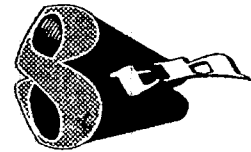
Improvements in message handling system and modification in billing system have been carried out during the year. The new client software called Xee-Mail '96 has been developed.

ii) Benefits derived as a result of R&D

Due to enhancements in the message handling system the E-Mail network along with fax delivery mechanism have become very stable and efficient. The improvement in billing system now gives more detailed information to the user resulting in larger customer satisfaction. The new Xee-Mail '96 client software has been well appreciated by the customers. This is a very user friendly software with several unique features suitable for Indian environment. Corporate clients having local area network especially have appreciated the mailing restriction and local mailing features of Xee-Mail '96

iii) Future Plans

The company intends to continue R&D efforts especially in the area of internet based services and further improve the current message handling system as well as client software.

DATAPRO INFORMATION TECHNOLOGY LIMITED**ANNUAL REPORT 1996-97****C) Foreign Exchange Earnings and Outgoings**

Earnings : Nil
Outgoing : Rs. 26,465

9. Human Resources

The Directors wish to place on record their appreciation for the hard work and enthusiasm of the employees of the Company at all levels and solicit their co-operation in the future.

10. Appreciation

Your Directors wish to place on record their sincere appreciation for continued support and guidance provided during the period under review by the Bankers, Government Departments and all the customers.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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Place : Pune
Date : 13th August, 1997

RAJEEV ARORA
CHAIRMAN AND MANAGING DIRECTOR