

GMS COMPUTERS (INDIA) LIMITED

Arthel Tney

For GMS COMPUTERS (I.D.A) LTD.

[Signature]

DIRECTOR

31/07/2000



6TH ANNUAL REPORT 1999-2000

BOARD OF DIRECTORS.

S.K. Joshi -Chairman/Managing Director
 V.M. Sharma -Wholetime Director
 K.L. Sharma -Wholetime Director

AUDITORS.

Sanjay B. Sharma & Co.
 Chartered Accountants
 Mumbai

COMPANY SECRETARY

P.R.V. Subramaniam

BANKERS

Bank of Rajasthan
 United Western Bank
 Punjab National Bank

LEGAL ADVISORS

N. P. Bhavsar
 P. D. Prasad Rao
 Sunita Kumari B. Sharma
 Advocates High Court

REGISTERED OFFICE

403-A, Biry House,
 265 Perin Nariman Street,
 Fort, Mumbai - 400 001.

SOFTWARE DEVELOPMENT CENTRE

Jaipur
 Jaunpur
 Silvassa
 Vashi New Mumbai

MANAGEMENT TEAM

G. M. Ansari - Management/Adminis-
 tration & Finance
 R.L. Shukla - Hardware & Machinery

 G.S. Khanna - Softwares Development
 Multimedia Graphics
 K.R. Gorver - Education & Softwares
 Anil Sharma - Education

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NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of GMS Computers (India) Limited will be held at The Patio Conference Hall, J V.P.D. Scheme, Vile Parle (W), Mumbai-400 049 on Friday, 29th Sept. 2000. at 12.00 P.M. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date and the Auditor's and Director's Report thereon.
2. To appoint a Director in place of Mr. V. M. Sharma who retire by rotation and being eligible offer himself for re-appointment.
3. To appoint the Statutory Auditors and fix their remuneration.
2. Proxy/Proxies in order to be effective should be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 23rd September, 2000 to Friday 29th September, 2000 (both days inclusive).
4. Members are requested to intimate any change in their address at the Company's Registered Office.
5. Member who attend the meeting are requested to complete the enclosed attendance slip and handover the same at the entrance of the meeting venue.
6. Members who would like to ask any questions in relating to the Accounts of the Company are requested to send their questions at the Registered Office of the Company Three Days before Annual General Meeting to enable the Company to reply the questions satisfactorily.

BY ORDER OF THE BOARD OF DIRECTORS OF
GMS COMPUTERS (INDIA) LIMITED

(V. M. SHARMA)
Wholetime Director

Mumbai
Dated : 5th Sept. 2000

NOTES

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

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 6th Annual Report on the affairs of the company together with the Audited statements of Accounts for the year ended 31st March, 2000.

1. FINANCIAL RESULTS

	(Rs. In Lacs)	
	<u>1999-2000</u>	<u>1988-1999</u>
Gross Profit	366.49	329.20
Less Depreciation	113.67	110.50
Net Profit before tax	252.82	218.70
Less Provision for taxation	10.00	27.56
Profit after tax	242.82	191.14
Surplus available for		
Appropriation	242.82	191.14
Transfer to General Reserve	242.82	191.14

2. DIVIDEND

Your Directors are not recommend dividend for the year ended 31st March, 2000.

3. OPERATIONS

The Operating results of the company in the year under review were encouraging with turnover having gone up by 20.94% over last year, our Developed softwares and programme are being well accepted and in demand from clients.

4. FIXED DEPOSIT

The Company has not invited and accepted

fixed deposit from public during the year.

5. YEAR 2000 COMPLIANCE

The Company's Computer hardware and software systems have become year 2000(Y2K) complaint as on 31st August 1999 and the change over on 1st January, 2000 was effected without any difficulty.

6. EXTRA ORDINARY GENERAL MEETING

Extra Ordinary General Meeting of the members was held on 24th March 2000 for DEMAT of equity shares of the company and thereafter M/S. SHAREPRO SERVICES has been appointed as Registrar and Transfer Agent for NSDL and CDSL Interface services. All shareholders are hereby requested to dematelize their equity shares. In this meeting shareholders has also approved to issue 50,00,000 equity shares at a price of Rs. 20/- each including Rs. 10/- as premium per equity share to the promoters, their friends, relatives and Business associates on preferential allotment basis.

7. DEMAT OF SHARES

Company's shares has under compulsory demat w.e.f. 8th May, 2000 as per SEBI notification and your company has provided to the investors the facility holding their shares in electronics form for making available the DEMAT Facility with National Securities Depository Limited and the Central Depository Services Limited w.e.f. 31st March 2000 (INE 106 BO 1015)

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8. FUTURE OUT LOOK

According to A high powered report published by Mckinsey & Co. by 2008 the Indian, IT industry is likely to touch annual revenue of \$ 89 billion (which includes \$ 50 billion of software exports) and market capitalization of \$225 billion out of which the \$ 87 billion opportunity knocking on Indian doors. IT services will fetch \$ 38.5 billion, software products \$ 19.5 billion, IT enabled services \$ 19 billion and E. Business \$ 10 billion.

The Mckinsey & Co. Report further states about explosion and e-business increasing softwares contents in Telecommunication, automobiles and devices such as mobilephones, internet will create tremendous opportunity for Indian companies, India will also lead in software products such as web based applications and services which includes business intelligences and enterprise application integration.

To state the obvious IT capabilities of India has now been recognized world over. The trip of Mr. Bill Clinton President of USA in March 2000 and in next week visit of our Hon'able Prime Minister shri Atal Bihari Vajpayee vist to USA and visit of Mr. BILL GATES (microsoft) has further fuelled the confidence in Indian capabilities.

The challenges now to your company in the coming years to constantly align the emerging technologies and visualise their usage to building business value for customers. Indian software companies together have just scratched the surface the challenge is to build confidence in the customers.

Indian IT industry has natural in its methodologies and systems to deliver consistent and quality solution form remote centres. This is not shortage of business it is just a matter of reaching out to the client. Business can comfortably grow more than in 60% in next two years but the challenge is to be accept with new and lateral while retaining the strong culture that has been nurtured over last three years education and training will be challenge in the coming years.

9. DIRECTORS

Mr. V. M. Sharma, Director of the Company retire by rotation at the ensuring Annual General Meeting and being eligible offer himself for re-appointment.

10. AUDITORS

M/s. Sanjay B. Sharma & Co., Chartered Accountants, Mumbai, the Auditors of the company retire at the conclusion of the ensueing Annual General Meeting and being eligible offer themselves for re-appointment.

11. STATUTORY INFORMATION

Information as per Section 217(2a)(b)(ii) read with the Companies (particulars of employees) Rules, 1975, and forming part of the Directors' Report for the year ended 31st March, 2000 shown below.

No employees was in receipt of remuneration aggregating to Rs.3,00,000/- or more per annum where employed through out the year

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