

ANNUAL REPORT - 2003



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For **SUN BEAM INFOTECH LIMITED**

Director / Authorised Signatory

SUN BEAM INFOTECH LIMITED

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Board of Directors

Yuvraj Karan

Chairman

(Retd. Executive Director,
Union Bank of India)

Omprakash Jhunjhunwalla

Director

(Non-Resident Indian)

Krishna Purohit

Director

(Chartered Accountant)

Vijendra Garg

Director

(Management Consultant)

Auditors

Satish Shldhaye

F.C.A.

**Consulting
Chartered Accountants**

**Deloitte Haskins & Sells
Mumbai**

Bankers

**Global Trust Bank Ltd.
Mumbai**

Shareholder Information

Depository Information

Your company's shares are traded in electronic Form and the Company has admitted its share with the National Securities Depository Ltd. (NSDL) and with the Central Depository Services (India) Ltd. (CDSL). The ISIN No. is **INE 309 B 01023**.

Trading Patterns

Your Company's equity shares enjoy good liquidity and are regularly traded in Mumbai Stock Exchange.

Market Capitalisation

Sun Beam shares is amongst the regularly traded scrip on the Mumbai Stock Exchange.

Share Transfer System

The Company has an in-house Investor Cell to directly address the grievance of the Investors but it has appointed M/s. Intime Spectrum Registry Ltd. as R&T Agent for the transfer of shares and share transfers are approved at the meeting of Management Committee of Directors which generally meets every fortnight. Share transfers would be registered and returned within the period of 4 weeks from the date of receipt if the documents are clear in all respects.

Dates of Share Transfer Book & Member Register

Share Transfer Book & Member Register for the purpose of this A.G.M. will be closed on 30th April, 2004.

Date, Time and Venue of the Annual General Meeting

Date: 30.04.2004 at 10:00 A.M. at New Sonal Link Premises, Link Road, Malad (West),
Mumbai – 400 064

Listing On

1. The Stock Exchange, Mumbai (BSE)
2. The Pune Stock Exchange.
3. The Stock Exchange, Ahmedabad.

The Company has paid the listing fees to all exchanges.

Investor Correspondence

Investors grievances/queries may be addressed to The Share Department, Sun Beam Infotech Ltd., 435/2 New Sonal Link , Linking Road, Malad (West), Mumbai – 400 064.

E-mail address: sunbeam10@indiatimes.com

Tel: 91 22 2889 84 42 Fax: 91 22 2882 22 99

Shares may be lodged for transfer with R&T Agent M/s Intime Spectrum Registry Limited, C-13, Pannalal Silk Mill, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

E-mail address: ashwini@intimespectrum.com

Tel: 91 22 5555 5454 Fax: 91 22 5555 5353

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Corporate Governance Report for the year.

Date : 31/10/2003

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
1	2	3	4
Board of Directors	49 I	YES	-----
Audit Committee	49 II	YES	-----
Shareholders / Investors Grievance Committee.	49 VI (C)	YES	-----
Remuneration of Directors	49 III	YES	-----
Board Procedures	49 IV	YES	-----
Management	49 V	YES	-----
Shareholders	49 VII	YES	-----
Report on Corporate Governance	49 VIII	YES	-----

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**To the Members of Sun Beam Infotech Limited**

1. We have reviewed the implementation of Corporate Governance procedures by Sun Beam Infotech Limited during the year ended 31st October, 2003, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchanges have been complied with in all material respect by the company.
4. As required by the Guidance Note issued by the institute of Chartered Accountants of India, we have to state that there are no investors' grievances pending for a period exceeding one month against the Company as per the records maintained by the Company.

For S. M. SHIDHAYE,
Chartered Accountants

S. M. SHIDHAYE

Place : Mumbai
Date : 31/03/2004



Director / Authorised Signatory

Directors' Report

Dear Members,

Your directors are pleased to present their report on the business and operations of your company for the year ended October 31, 2003.

Financial Highlights

	(Rs. In Lacs)	(Rs. In Lacs)
Year ended October 31	31/10/2003	31/10/2002
Total revenues	2501.65	1665.48
Operating profit (PBIDT)	446.24	238.81
Interest	-	-
Depreciation	13.06	28.33
Profit before tax	433.18	210.48
Provision for tax	2.25	-
Profit after tax	430.93	210.48
Appropriation	434.24	568.33
Transferred to – general reserve	43.42	-

Result of Operation

Your company experienced organic growth this year as well. Total revenues grew to Rs. 2501.65 Lacs during the year from Rs. 1665.48 Lacs last year, a growth of 150.21%. Operating profit was Rs. 446. Lacs. Your company also experienced reasonable growth Quarter to Quarter this year.

Your company has been preparing to leverage the opportunities offered by the e-business paradigm and has taken necessary steps to do so. The company has prepared a business plan for creating a knowledge infrastructure by acquiring people with technical skills in the e-commerce area and for e-inventing the company during this year.

Dividend

Due to the scheme of arrangement in offing, no dividend have been proposed by your director's this year .

Business

The Indian software exports industry demonstrated slow growth during the year. Your company continues to focus on Enterprise Resource Planning (ERP), Software solutions for the SMES in the domestic market.

Subsidiary

Nav - Parva Technologies Private Limited has become 100% subsidiary of the Company.

Parle Software Limited ceases to be the subsidiary of the company pursuant to the Scheme of Arrangement being sanctioned by the Mumbai High Court vide Order dated 18/09/03

The New Information Infrastructure

Your company firmly believes that cutting edge information infrastructure is a strategic asset for its business. The factors that have driven your company to implement world-class internal systems are :

- The challenge of managing consistently high growth.
- The strong focus on quality and the resultant dependence on systems and processes,
- The criticality of having timely information in the dynamic and knowledge intensive IT industry, and
- The need to provide 24 hours & 7 days information availability to a workforce, mobile across various time zones.

In the early years your company had put in place several homegrown applications which were far from being seamlessly integrated. However, as your company's scale of operations increased and the information requirements of its workforce became more sophisticated, your company decided to adopt a standardized platform that would be the cornerstone of its internal information architecture.

The implementation of MIS 2000 in all the core areas of your company's business in the forthcoming years will be a landmark event & this core platform will be supplemented by select in-house web-based applications that will be seamlessly integrated into it.

Going ahead, your company's objective is to focus on state of the art applications with web-based interfaces. Among the projects in the pipeline is the implementation of system for Customer Relationship Management that will further strengthen client partnerships.

Additional information to shareholders

In earlier years, your company provided additional information and financial statements in substantial compliance with the GAAP of India. Such information is provided in this year's annual report also.

Corporate Governance

With increasing globalization, there has been a renewed thrust on corporate governance in India. Your company continues to be a pioneer in benchmarking its corporate governance policies with the best in the world and its efforts will be recognized by investors in India.

Liquidity

A liquid balance sheet is a key element of the financial strategy of your company. Enhanced liquidity reduces financial risk and allows a rapid shift in direction should the market so demand. During the current year, internal cash accruals have more than adequately covered working capital requirements, capital expenditure and dividend payments, and have resulted in a surplus of funds & once again your company has been able to adhere to the ZERO DEBT Policy. However, a balance between high returns on funds deployed in the business and the ready availability of cash for strategic decisions on growth will have to be maintained. The creation of physical and technological infrastructure will absorb a significant part of the liquid assets over the next three years.

Fixed Deposits

Your company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

Directors

As per Article 48 of the Articles of Association of the company, Mr. Krishna Purohit and Yuvraj Karan retires by rotation at this Annual General Meeting and being eligible offer himself for reappointment.

Auditors

The auditors M/s. S. M. Shidhaye, Chartered Accountants, Mumbai retire at this Annual General Meeting and being eligible offer themselves for reappointment.

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo.

The particulars as prescribed under subsection (1)(e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of board of directors) Rules, 1988, are set out in the annexure included in this report.

Particulars of employees

The particulars of employees as required to be disclosed in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, as amended, are annexed to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all shareholders of the company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Share Department at the Registered Office of the company.