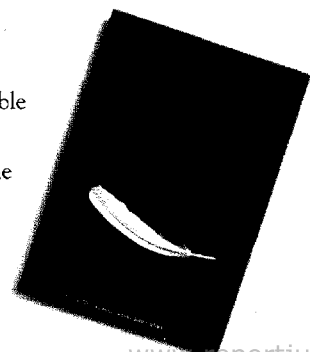






The 2002-03 Annual Report carried the theme of global flight, using the metaphor of a resilient, flexible feather. For excellence in design, production and communication, we won the following awards:

- Honors position in the 2003 Vision Awards Annual Report Competition organized by the League of American Communications Professionals, USA.
- Award of Excellence at the 2003 Society for Technical Communication (STC) India Chapter competition.



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i-flex solutions
empowering financial
institutions globally

i-flex annual report 2003-2004

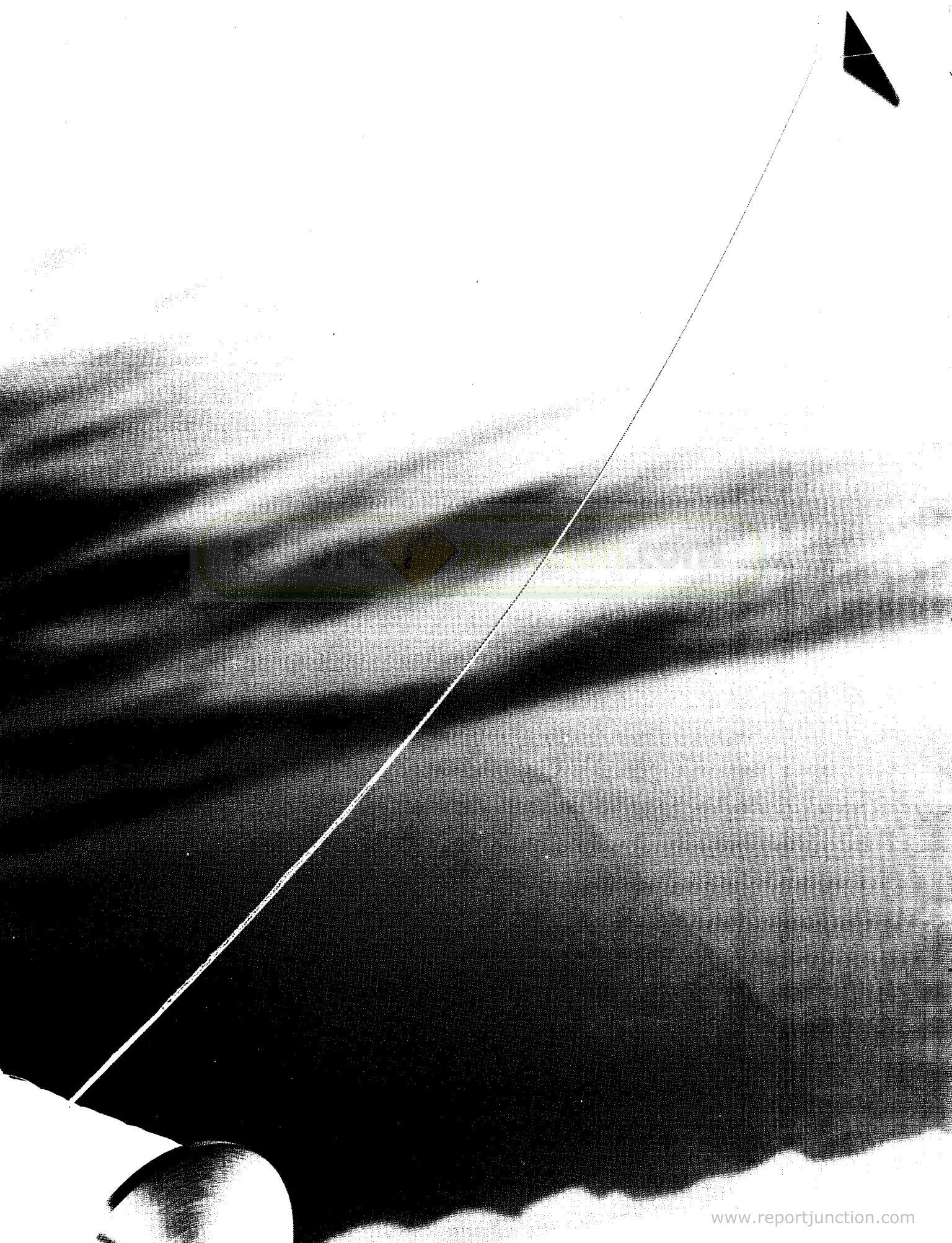
Contents

Scaling new heights	5
Rich solutions portfolio	13
A global weave of partnerships	21
United by a common thread	29
i-flex global presence	34
Key management personnel	36
Corporate information	40
Directors' report	41
Corporate governance report	45
Financials	
<i>Indian GAAP</i>	
<i>Unconsolidated</i>	55
<i>Consolidated</i>	97
<i>US GAAP</i>	121
<i>i-flex solutions b.v.</i>	155
<i>i-flex solutions pte. ltd.</i>	167
<i>i-flex America inc.</i>	183
<i>i-flex solutions inc.</i>	197

*A simple thread becomes...
a rope to scale great heights,
a string to link precious gems,
a weave of great beauty and function,
always binding.*

A similar thread runs through our
business – binding together our solutions,
our people, and our customers – creating
a closely bound relationship of mutual
benefit and lasting value.

With a growing family of over 3,000
i-flexers and more than 480 customers
serviced across 108 countries, the i-flex
thread continues to weave a vibrant fabric
of growth, value and success.



Scaling new heights

i-flex continued to grow in the year under review and received accolades for excellence in its business.

Accolades

We are proud of the recognitions awarded to the i-flex team over the last year:

- The Economic Times (India's premier financial daily) named i-flex as the "Emerging Company of the Year" in its Awards for Corporate Excellence.
- FLEXCUBE was named the "Core Banking Solution of the Year" and "Application of the Year" by The Banker (part of the Financial Times Group, London).
- FLEXCUBE was ranked "World's No.1 selling banking solution" in 2003 by International Banking Systems, UK, for the second year in succession.
- i-flex won the "Golden Peacock National Quality Award 2003" from the World Congress on Total Quality.
- Rajesh Hukku (Chairman and Managing Director) won the "Dewang Mehta Award for Innovation" from the Ministry of Information Technology, Government of India.
- TIME magazine recognized Rajesh Hukku in its special feature entitled "Survivors of the tech crash". He was one of two Indians to have received this recognition.
- i-flex was ranked among the top 250 companies in Asia-Pacific by Deloitte Touche Tohmatsu for the second year in a row.



Rajesh Hukku receives the BusinessWeek International "Star of Asia Award" from former US President Bill Clinton.



Rajesh Hukku receives the "Dewang Mehta Award for Innovation".



Atul Gupta receives the "Golden Peacock National Quality Award 2003" on behalf of i-flex.



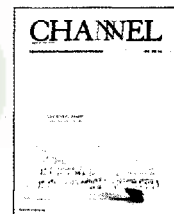
Time magazine, in its issue of July 7, 2003, recognized Rajesh Hukku as one of the tech gurus to survive the technology crash.

We are proud of what we achieved as a company in 2003-2004:

- Serviced 76 new customers and entered 15 new countries, taking the total customers serviced to 480 across 108 countries.
- FLEXCUBE achieved new heights in scalability with a record-breaking throughput of over 7,400 transactions per second (IBM Benchmark Center, Montpellier, France, results audited by Ernst & Young).
- Acquired SuperSolutions Corp. (Minneapolis, USA) and added a consumer lending solution, the Daybreak Lending Suite, to the i-flex portfolio.
- Successfully completed the SAS 70 audit (2nd year in a row).
- Opened a new 1,400-person state-of-the-art office, "i-flex park", in Bangalore, and increased our global presence to 11 development centers, 16 offices and 5 subsidiaries.
- Opened the FLEXCUBE Support and PrimeSourcing™ Solutions Centers in London, expanding European operations to provide first level support to customers in Europe and allowing the PrimeSourcing™ Solutions Center to focus on building rapid prototypes of new IT solutions.
- Recruited 1,016 professionals.



The corporate and development blocks at i-flex park, Bangalore.



Channel provides a quarterly update for our financial services customers and the industry as a whole. Its healthy mix of business and technology delivers practical information to decision makers.

i-flex financials at a glance

All figures in Rs Million except EPS & Book Value

	1999 - 00	2000 - 01	2001 - 02*	2002 - 03*	2003 - 04*
Total Revenues	2,062.69	3,211.21	4,295.27	6,239.14	8,017.87
Total Expenses	1,312.30	2,016.85	2,991.95	4,277.53	5,703.26
EBT	750.39	1,194.36	1,303.32	1,961.61	2,314.61
Tax	57.66	94.15	150.33	252.73	526.75
EAT	692.73	1,100.21	1,152.99	1,708.88	1,787.86
EPS	9.27	14.72	15.43	22.86	23.92
Book Value	28.37	42.48	63.05	106.99	124.82

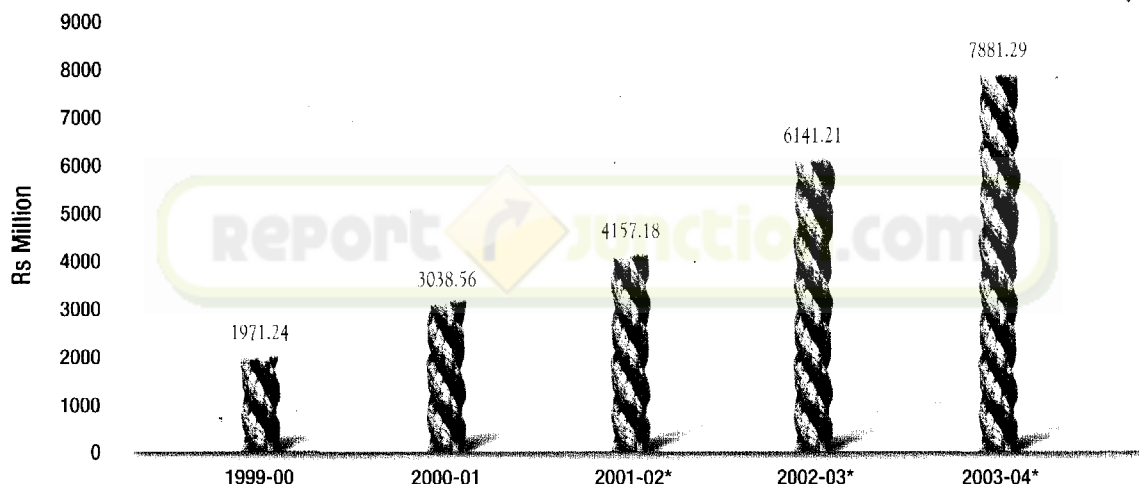
Notes: All EPS and Book Value are computed based on the current equity capital base of 74,740,150 shares

EVA	328.33	548.39	472.33	669.33	720.91
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*As per Indian GAAP Consolidated Results

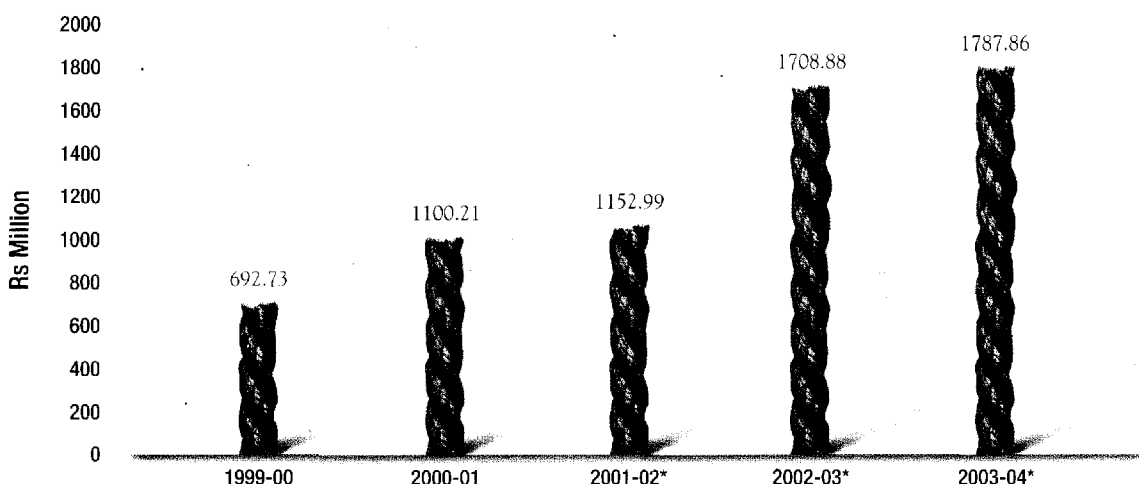
Key performance indicators – 2003-04*

Operating revenues



Previous years' amounts have been regrouped

Net income



*As per Indian GAAP Consolidated Results