

Annual Report
2003-2004



because we can!

ORG INFORMATICS LTD.
(An ISO 9001:2000 Company)

Board of Directors

Mr. Kartikeya V. Sarabhai
Chairman
Mr. Ajoy Khandheria
Managing Director & CEO
Mr. Ajay R. Mehta
Mr. John Cornell
Dr. Anand Sarabhai
Dr. V. C. Shah
Dr. Arun Sobti

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Auditors

Deloitte Haskins & Sells
Chartered Accountants
12, Dr. Annie Besant Road
Opp. Shivsagar Estate
Worli, Mumbai - 400 018

ORG Informatics Limited

Regd. Office:

Dr. Vikram Sarabhai Marg, Wadi Wadi, Vadodara 390 023.

Notice

The Twenty Eighth Annual General Meeting of the Company will be held on Monday, July 5, 2004 at 11.00 A.M. at Vanijya Bhavan, Race Course, Vadodara to transact the following business:

Ordinary business:

Item 1

To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31.3.2004 and the Balance Sheet of the Company as on that date.

Item 2

To appoint a Director in place of Dr. V.C. Shah, who retires by rotation and being eligible offers himself for re-appointment.

Item 3

Mr. Ajay R. Mehta, a Director liable to retire by rotation on conclusion of this Annual General Meeting and does not seek to be re-appointed, be not re-appointed a Director of the Company.

Item 4

To appoint Messrs Deloitte Haskins & Sells, Chartered Accountants, Mumbai, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the board to fix their remuneration.

Special business:

To consider and, if thought fit, to pass with or without modifications, the following:

Item 5 - Ordinary Resolution

"RESOLVED that pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 15,00,00,000 (Rupees Fifteen Crore) to Rs. 27,00,00,000 (Rupees Twenty Seven Crore) divided into 2,70,00,000 (Two Crore Seventy Lac) equity shares of Rs. 10 each.

Item 6 - Special Resolution:

1. "RESOLVED that in Clause V of the Memorandum of Association of the Company for the words, "The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crore) divided into 1,50,00,000 (One Crore Fifty Lac) equity shares of Rs. 10 (Rupees Ten) each.; the words "The Authorised Share Capital of the Company is Rs. 27,00,00,000 (Rupees Twenty Seven Crore) divided into 2,70,00,000 (Two Crore Seventy Lac) equity shares of Rs. 10 (Rupees Ten) each" be substituted".

2. "RESOLVED that Article 3 of the Articles of Association of the Company be deleted and instead the following new Article be substituted in its place:

3. The Authorized Share Capital of the Company is Rs. 27,00,00,000 (Rupees Twenty Seven Crore) divided into 2,70,00,000 (Two Crore Seventy Lac) equity shares of Rs. 10 each."

Item 7 – Special Resolution

"RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any reenactment and/or amendment thereof, for the time being in force), the provisions of Memorandum and Articles of Association of the Company, guidelines issued by Securities and Exchange Board of India (SEBI), Listing Agreement entered into with Stock Exchanges, Foreign Exchange Management Act, 1999 and their regulations, and any other applicable law for the time being in force and subject to such consents, approvals, permissions or sanctions, required if any, and subject to necessary approvals of requisite authorities as might be required; the consent / approval of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to issue and allot, on preferential basis, equity shares of Rs.10/- each, at such price as may be decided by the Board, for an amount of Rs. 3 Crore to the various Creditors standing in the books of the Company against part/ full satisfaction of their debts whether they are shareholders/ promoters of the Company or not and such issue / allotment shall be made at such time and manner and on such terms and conditions as the Board may, in its discretion deem fit and appropriate at the time of issue / allotment and it can be made in one or more trenches.

"RESOLVED FURTHER that for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and to take all steps and give such directions as may be necessary and to settle all questions or difficulties that may arise in such manner as the Board in its absolute discretion may deem fit".

"RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee/Sub-committee of Board of Directors of the Company to give effect to the aforesaid resolutions."

Item 8 - Special Resolution

"RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any reenactment and/or amendment thereof, for the time being in force), the provisions of Memorandum and Articles of Association of the Company, guidelines issued by Securities and Exchange Board of India (SEBI), Listing Agreement entered into with Stock Exchanges, Foreign Exchange Management Act, 1999 and their regulations, and any other applicable law for the

time being in force and subject to such consents, approvals, permissions or sanctions, required if any, and subject to necessary approvals of requisite authorities as might be required; the consent/ approval of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to issue and allot, on preferential basis, 3,95,795 equity shares of Rs.10/- each, at par value to VNT Enterprises, USA against full satisfaction of Business Plan, Technical Know how and Turnaround Management Expertise which is in process of transfer from said VNT Enterprises to ORG Informatics Ltd. and such issue / allotment shall be made at such time and manner and on such terms and conditions as the Board may, in its discretion deem fit and appropriate at the time of issue / allotment and it can be made in one or more tranches.

"RESOLVED FURTHER that for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and to take all steps and give such directions as may be necessary and to settle all questions or difficulties that may arise in such manner as the Board in its absolute discretion may deem fit".

"RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee/Sub-committee of Board of Directors of the Company to give effect to the aforesaid resolutions."

Item 9 - Draft Special Resolution

"RESOLVED that in accordance with the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any reenactment and/or amendment thereof, for the time being in force), the provisions of Memorandum and Articles of Association of the Company, guidelines issued by Securities and Exchange Board of India (SEBI), Listing Agreement entered into with Stock Exchanges, Foreign Exchange Management Act, 1999 and their regulations, and any other applicable law for the time being in force and subject to such consents, approvals, permissions or sanctions, required if any, and subject to necessary approvals of requisite authorities as might be required; the consent/ approval of the shareholders of the Company be and is hereby accorded to issue and allot, on preferential basis, 30,66,217 equity shares of Rs.10/- each, at par, for an amount of Rs. 3,06,62,170 towards repayment of loan and interest accrued thereon to the Global Asia Partners LP (GAP), USA, upon and subject inter-alia to following terms and conditions.

- i) the new equity shares will be issued and allotted as fully paid-up to Global Asia Partners LP.
- ii) the said new equity shares to be issued and allotted by the Company will be subject to the Memorandum and Articles of Association of the Company and will carry the same rights including that of voting as the existing issued Equity Shares of the Company and shall rank

pari passu with the existing issued Equity Shares of the Company save and except that in respect of dividends, if any declared for the financial year in which such new equity shares are allotted, the new equity shares would be entitled to pro rata dividend from the first day of the month next following the month in which the allotment is made."

"RESOLVED FURTHER that for the purpose of giving effect to all or any of the foregoing from time to time, the Board be and is hereby authorized to prescribe and finalise such forms and documents, in respect of the said new equity shares, to give such directions or instructions, as it may, from time to time, deem fit and proper and do all such acts, deeds, matters and things whatsoever including settling any question, doubt or difficulty that may arise with regard to or in relation to the issue or allotment of the said new equity shares or any of them as the Board may in its absolute discretion deem necessary, desirable, expedient, usual or proper and the Board is also authorized to make such modifications and alterations in the foregoing resolutions, as it may in its absolute discretion, think fit in the best interest of the Company.

"RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee/Sub-committee of Board of Directors of the Company to give effect to the aforesaid resolutions."

Item 10 - Draft Ordinary Resolution

"Resolved that subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, consent of the Company be and is hereby given pursuant to Section 293 (1) (a) of the Companies Act, 1956 to the sale / transfer of Sarabhai Precision Engineering Centre (SPEC) division of the Company to the any interested Company/Party against adoption of liabilities by the transferee company/party and with effect from such date as the Board of Directors of the Company may think fit and that the Board of Directors of the Company (which shall include a Committee of Directors constituted for this purpose) be and is hereby authorized to complete the sale/transfer of the said SPEC division with such modifications as may be required by any of the concerned authorities or which it may deem to be in the interest of the Company and to do all such acts, deeds, matters and things as may be deemed necessary and / or expedient in the interest of the Company."

Item 11 - Draft Special Resolution

"RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval(s) of the Government of India (GOI), Reserve Bank of India, Securities and Exchange Board of India (SEBI) as may be required and subject also to the consents, permissions, approvals and sanctions of such other appropriate authorities, financial institutions or bodies as may be necessary, consent,

authority and approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any committee constituted or to be constituted thereof) to issue and allot through prospectus/letter of offer and/or by way of preferential allotment/private placement to national and/or state financial institutions, Industrial Development Agency (ies), Mutual Funds, International Financial Institutions, Foreign Institutional Investor (FII), Non-resident Indians (NRI), Overseas Body Corporates (OBC), or to any other person(s) whether shareholder of the Company or not, equity shares of the face value of Rs.10/- each at such price (not less than par) for the aggregate amount not exceeding Rs. 30 Crore (including premium, if any) as may be deemed appropriate by the Board, such offer, issue and allotment to be made at such time or times, in cash and in one or more tranches at such prices, and in such manner and on such terms and conditions as the Board may in absolute discretion think fit in its own judgment or in consultation with others with power to settle details as to the form and terms of issue of securities and all other terms and conditions and matters connected therewith and to accept any modifications in the proposals as may be required by the authorities/parties involved in such issue but subject to such conditions as the Government of India, Reserve Bank of India, Securities and Exchange Board of India or such other appropriate authorities may impose at the time of according/granting their approvals, consents, permissions and sanctions as may be required and as agreed to by the Board".

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to issue and allot such number of equity shares as may be necessary in accordance with the terms and conditions of offer".

Item 12 - Draft Special Resolution

"RESOLVED THAT the existing clauses of Para -III (A) of the Memorandum of Association of the Company be replaced by the following new clauses :-

1. To carry on in India or abroad, the business of telephone, telegraph cable and wireless company and to act as operators, designers, manufacturers, dealers, producers, importers, exporters, agents, consultants, collaborators, designers, contractors, for erecting and commissioning of telecommunication lines, telegraphs, intercoms, wireless communication, radio communication, cellular services, telecom accessories and equipments, paging facilities, email, voice mail, data mail services either on turnkey basis or Boot basis.
2. To provide telecommunication services relating to transmission of voice, data images, microwave and satellite technologies, including but not limited, value added service, radio paging services, video conferencing, internet and other allied services.
3. To carry on the business of Information technology centres and to undertake Information technology

assignments either on its or on franchisee basis and to carry on the general business providing comparative information about characteristics, attributes, communities, organization, countries or other social units of any article or commodity, economic trend, individual whosoever.

4. To establish, run, maintain or provide services in software development areas, portal development, data processing, E-commerce, M-commerce, including back end operations, call centres, medical transcription etc.
5. To manufacture, license, lease, sell, install, implement, maintain in India and overseas IT products & services including P.C's printers, LAN's, storage devices, etc. telecom equipment & services including access, transmission, core network, CPE equipments including handsets, set top boxers, for wireless and broad band networks & GIS systems and services, electronic and mechanical systems/sub-systems for the above and other related products and services.
6. To carry on all other kinds of business in connection with all communication equipments including but not limited to receivers, walkie-talkies, relay equipment, point to point communication equipment antennas and other associated equipments, radio frequency equipments, oscillators, synthesizers, and all other related products and equipments.

RESOLVED Further that in accordance with any applicable provisions of the Companies Act, 1956 or any other act of the law for the time being in force approval is hereby given for the commencement of the business as mentioned above.

By Order of the Board of Directors,

Gaurav Kumar Arora
Company Secretary

May 17, 2004

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and the Share Transfer Books of the Company will remain closed from 30.6.2004 to 5.7.2004 (both days inclusive)
3. Shareholders holding the shares in Electronic form are requested to bring their Client ID and DPID at the meeting for easy identification.
4. The information required to be given pursuant to Corporate Governance Code regarding appointment / reappointment of Director/s is as under:

Dr. V.C. Shah is M.Com, Ph.D (Economics), Columbia. He is the retired General Manager of ICICI Limited, a Premier Financial Institution of India. He holds directorships in 7 other companies.

Explanatory Statement.

required under Section 173 of the Companies Act, 1956, to accompany the notice of Twenty Eighth Annual General Meeting of the Company.

Item 5 & 6

The present authorized capital of the Company is Rs. 15 Crore and its issued and paid up capital is 7.915 Crore.

With a view to settlement of creditors in the form of equity and to cover future opportunities for issue of further capital it is proposed to suitably enhance the Authorized Share Capital of the Company to Rs. 27 Crore (Rupees Twenty Seven Crore).

In terms of the provisions of Section 94 of the Companies Act, 1956, the Authorized Share Capital of a Company be increased with the approval of shareholders of the Company. Further, change in Authorized Share Capital of the Company would also require necessary alteration of the Memorandum and Articles of Association of the Company which can be effected by a special resolution of shareholders of the Company. Hence, your Directors recommend the resolutions set out in item Nos. 5 & 6 of the accompanying notice for your approval.

None of the Directors is, in any way, concerned or interested in the passing of these resolutions.

Item 7

Your Company is having total creditors around Rs. 594.77 lakh out of which your Directors think creditors for Rs. 3 Crore can be satisfied by issuance of shares as it would improve the current ratio of the Company so it is in the best interest of the Company and its stakeholders.

The above said amount of creditors includes amount payable to Ambalal Sarabhai Enterprise Ltd. (ASE) also who presently holds more than 15% shares in share capital of the Company hence for making an allotment to ASE, the Company is moving an application to SEBI under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

Section 81, 81 (1A) of the Companies Act, 1956 requires the approval of the shareholders for issue and allotment of equity shares to any person/s, whether the said person/s is/are the shareholder/s of the Company or not, if the allotment is not to be made on a pro rata basis to the existing shareholders. The Listing Agreements with Stock Exchanges, provide, inter alia, that the Company in the first instance should offer all the shares to be issued pro rata to the equity shareholders unless the shareholders in a general meeting decide otherwise. Special Resolution proposed at item No.7 of the accompanying notice relates to such a proposal of issue of equity shares by the Company to discharge its liabilities.

The Board of Directors of the Company accordingly recommends the Special Resolution as set out at item No.7 in the accompanying notice for your approval and acceptance.

In respect of Shares to be issued to Ambalal Sarabhai Enterprises Ltd. except Mr. Kartikeya V. Sarabhai and Dr. VC Shah who are the Directors on the Board of Ambalal Sarabhai

Enterprises Ltd. also none of the Directors of the Company may be considered to be interested in the aforesaid resolution.

Item 8

Your Company is in the process of finalization an agreement with VNT Enterprises, a USA based firm which is having expertise in development of technological know how and management expertise.

The business plan, secret designs, technological know how and management expertise which is your Company is going to obtain from VNT Enterprises would be of immense benefit for the growth of your Company.

Your Board has been able to convince the VNT Enterprises to get their consideration in the form of equity shares of the Company.

Total no. of shares to be issued to VNT Enterprises in this regard is 3.95 lac equity shares.

Section 81, 81 (1A) of the Companies Act, 1956 requires the approval of the shareholders for issue and allotment of equity shares to any person/s, whether the said person/s is/are the shareholder/s of the Company or not, if the allotment is not to be made on a pro rata basis to the existing shareholders. The Listing Agreements with Stock Exchanges, provide, inter alia, that the Company in the first instance should offer all the shares to be issued pro rata to the equity shareholders unless the shareholders in a general meeting decide otherwise. Special Resolution proposed at item No.8 of the accompanying notice relates to such a proposal of issue of equity shares by the Company to discharge its liabilities.

The Board of Directors of the Company accordingly recommends the Special Resolution as set out at item No.8 in the accompanying notice for your approval and acceptance.

None of the Directors of the Company except Mr. Ajay K Khandheria, who is director in VNT Enterprises, may be considered to be interested in the aforesaid resolution.

Item 9,10,11&12

These resolutions are required to be approved by the shareholders through a Postal Ballot for which separate notice and other papers are being dispatched to the shareholders separately.

Inspection of Documents

All the documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours on all working days (except Saturdays) till the date of the meeting.

By order of the Board of Directors,

Gaurav Kumar Arora
Company Secretary

May 17, 2004.

Directors' Report**1. To the Members**

Your Directors have pleasure in submitting the Annual Report and Audited Statement of Accounts for the year ended 31.3.2004.

2. Financial Results

The financial Results of the Company are summarized hereunder :-

	2003-2004	2002-2003
	Rs. Lakh	Rs. Lakh
Income	5479.14	2901.74
Expenditure	5181.89	2786.93
Gross Profit(Loss)	297.25	114.81
Interest & Finance charges	117.35	109.97
Depreciation & Amortisation	124.18	48.68
Prior Period Adjustments	25.03	24.64
Net Profit (Loss)	30.69	(68.48)

3. Dividends

Although this year your Company has been able to earn profit but due to requirement of the funds for expansion of the business of the Company and carried over losses your Directors are on the view not to recommend payment of dividend.

4. Operations

Sales and services for the period under review shown an increase of 88.82 % as compared to the previous year. Your Company has also received major overseas orders and opened a branch office in Afghanistan. Impact of these orders is expected to offer more positive results in the coming years.

Your Directors as reported last year had finalized a strategic alliance with Global Asia Partners (GAP), a US based venture capital fund. In this regard Directors feel immense pleasure in communicating that strategic alliance with GAP has brought fruitful results for the Company and in future it is expected that your Company may be able to increase stakeholders' value.

In addition to this, as per the indications given in the last year's Directors' report, your Directors have achieved success in cutting down the cost of operations of the Company and its impact is likely to be reflected in the accounts of your Company in coming years.

Your Company is focusing on the tremendous increase in the business of the Company as is evident from the Financial Results itself so to expand its business and successful and timely completion of the jobs in hand your Company wants to keep the funds in the form of Working Capital as it is required. Hence your Board of Directors has decided to set-off the creditors outstanding in the Balance Sheet of the Company as on March 31, 2004 upto the tune of Rs. 3 Crores by issuance of the shares and Company is in the process of negotiations with these creditors, including Ambalal Sarabhai Enterprises Ltd. who is one of the

Co-promoters of your Company and exercises a control over its Management jointly with others (GAP). In this regard shareholders are also being requested to approve the authorization to the Board of Directors of the Company to take necessary steps in setting off the liabilities by issuance of the shares pursuant to section 81(1A) of the Companies Act, 1956.

5. Subsidiaries

As reported in the last year Annual Report ORG Telecom Ltd. a wholly owned subsidiary of your Company has been formed to carry on the Telecom business of the Company. In the current year your Board would take necessary steps in this regard in line with the approval obtained during 2003 from the shareholders of the Company for transfer of its telecom related business as per the requirement of Section 293 of the Companies Act, 1956.

As in the current year Telecommunication business of your Company is being carried forward by ORG Telecom Ltd. with a view to provide necessary infrastructure to ORG Telecom Ltd. Board of Directors of both the Companies i.e. ORG Informatics Ltd. and ORG Telecom Ltd. have decided to transfer the technical know how, business plans, designs in Telecommunication and authorization to use the name "ORG" to ORG Telecom Ltd. for the purpose of telecom related business for a consideration of Rs. 2.75 Crore. As per an agreement reached, ORG Telecom Ltd. will discharge the above-said consideration of Rs. 2.75 Crore by way of issue of new equity shares of Rs. 10/-each at par value to your Company.

As the said ORG Telecom Ltd. has completed all the legal formalities to carry on the business in the last part of the year under report and is yet to commence its business, consolidation of annual accounts of the said ORG Telecom Ltd. has not been made alongwith annual accounts of your Company for the year 2003-2004.

As on date Albireo Pte. Ltd., Singapore is having 11,60,687 equity shares in Global IP Technology (P) Ltd. and 14,65,500 equity shares of which are held by your Company. Vide order dated Feb. 20, 2004 FIPB has approved SWAP of these 14,65,500 equity shares in Global IP with the 562500 shares of Albireo Pte. Ltd., Singapore. So in this way Global IP would no longer remain subsidiary of ORG Informatics Ltd. Accordingly, while preparing consolidated accounts, effects of the accounts of Global IP has also not been taken into account pursuant to the Accounting Standard No. 21 para no. 11.

6. Employees Stock Options Scheme

Pursuant to permission granted by the shareholders of the Company during 2003 to issue shares under ESOS to its employees, your Board of Directors has formed an ESOS Committee with a view to consider the issue from time to time.

On May 17, 2004 above said ESOS committee has offered 1,27,500 options to its employees. No price is payable by the concerned offeree-employee at the time of acceptance of options. Acceptances in respect of these options are to be received within 30 days of offer. As per the terms of offer these options shall vest at the rate of 25% at the end of each year from the date of offer of options. Exercise period is of 5 years from the date of vesting of options and exercise price is at par value basis.

7. Directors

Mr. Ajay R. Mehta retires by rotation but he has not offered himself for re-appointment so your directors propose not to fill up vacancy arising out of his retiring by rotation. The Board place on record its appreciation of the guidance received from him during his association with the Company.

Mr. CVS Narayanan resigned as Director, his resignation letter was reluctantly accepted by the Board of Directors with effect from May 17, 2004. The Board placed on record its appreciation of the guidance received from him during his association with the Company.

Dr. VC Shah also retires by rotation and being eligible has offered himself for re-appointment.

8. General

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is appended herewith and forms part of this report.

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended by Companies (Particulars of Employees) Amendment Rules - 2004 shall be made available to any shareholder on a specific request. Request can be addressed to the Registered Office of the Company.

9. Directors' Responsibility Statement

Your Directors confirm that :-

- (i) In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets

of the company and for preventing and detecting frauds and other irregularities;

- (iv) The directors have prepared the annual accounts on a going concern basis.

10. Corporate Governance

The Report on Corporate Governance as required under Clause 49 of the Listing Agreement is given as an Annexure to this Report. A certificate from Practising Company Secretaries of the Company regarding compliance of applicable conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is also attached to this report.

11. Acknowledgements

The Board records its appreciation of the support which the Company has received from its bankers, customers, government organizations, overseas strategic alliance partners, staff and employees. The Board also appreciates the confidence reposed by the shareholders in the Company and its management.

For and on behalf of the Board of Directors

Kartikeya V. Sarabhai

Chairman

Ajoy K. Khandheria

Managing Director & CEO

Place : Vadodara

Date : May 17, 2004

Annexure to Directors' Report.

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Conservation of Energy

Although the Computer Services Industry as such is not an energy intensive industry, efforts are being made continuously by the Company for the conservation of energy through improved operational methods and other means.

Form of Disclosure of Particulars with respect to Absorption of Technology, Research & Development (R&D).

FORM B

- | | |
|--|------------------|
| 1. Research & Development | : Not Applicable |
| 2. Foreign Exchange Earnings/Outgoings | : Rs. lakh |
| Foreign Exchange Earnings | : 447.34 |
| Foreign Exchange Expenditure | : 125.69 |

Listing of Shares

1. The Equity shares of the Company have been listed at the following Stock Exchanges.
 - i) Vadodara Stock Exchange Ltd.
3rd Floor, Fortune Towers,
Sayajigunj, Vadodara – 390 005.
(Regional Stock Exchange).