

**TECHNOLOGY SANS BARRIER.
COMPETENCE PAR EXCELLENCE**



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SOFFIA

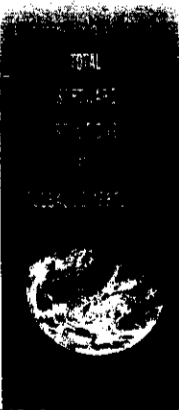
FIFTH ANNUAL REPORT

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MISSION STATEMENT

CUSTOMERS

We recognise our customers' specific needs and strive to offer them the best, cost effective and most conscientious service. We commit to provide the highest quality of performance standards and deliver on time, to meet their satisfaction.

EMPLOYEES

To build upon the strength of each team member, we shall maintain an open and honest working environment and inspire them to achieve their personal and professional goals.

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STAKE HOLDERS

We shall provide quality in services and maintain transparency to achieve leadership in our field with integrity, commitment and excellence, to enhance the value.





MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

It gives me great pleasure to present you the Fifth Annual Report of your Company.

The results have been very encouraging in several aspects and represent a successful continuation of the broad strategic direction your Company had set for itself at the beginning of the year.





MANAGING DIRECTOR'S MESSAGE

The global software industry is poised for an unprecedented growth. The ebullience of the Netizens over the newly found click away freedom is so overwhelming, that estimates peg the potential at US\$ 2 trillion by 2008. IT Enabled Services, is expected to generate close to US\$ 18 billion and employ over a million technical hands.

With the world's second largest English speaking scientific manpower pool, India is today a formidable force to reckon with in the world IT arena. No other country has had a consistent growth of over 50% annually in this sector for the past seven years. The Indian IT industry is expanding twice as fast as its US counterpart. India offers cost effective, great quality, high reliability, speedy deliveries and ace technologies. During 1998-'99, 158 of the Fortune 500 companies outsourced their software requirements from India.

Currently, India's share of the global IT market is 18.5% making it one of the nation's biggest forex earners. In the ensuing millennium, the proactive approach initiated towards IT in general will turn India into a software superpower, it is hoped.

The global software industry, undergoing catalytic changes and periodic metamorphoses, poses viable opportunities aplenty. Primarily to capitalise on them, your Company Soffia Software Limited was incorporated in 1994.

The objective of SOFFIA is sustained growth in shareholder value through ever improving financial results. This objective is achieved through total commitment to the highest ethical standards and open and informal communication, hard work and prudent financial management. These are SOFFIA's core values, the foundation on which our culture is based.





MANAGING DIRECTOR'S MESSAGE

There has been a sustained push to broad base the project mix, set up new alliances, expand market coverage, strengthen senior managerial ranks, focus on developing select competencies and enlarge relationships with major customers.

The remarkable performance by SOFFIA, achieving a higher growth in turnover and profits due to its foray into the overseas market during the period under review, is a sign of growing expertise, both in terms of our ability to deliver value added services and our excellence in product software. In yet one more far-reaching development, we have opened our branches in the Silicon Valley and become a global player.

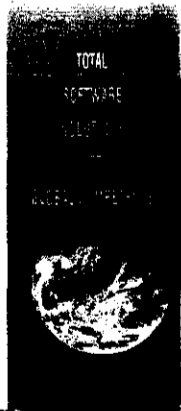
Companies that create value, win. Those who cannot, lose. Yes, the quest for attaining value is but one half of what makes SOFFIA successful. And we shall continue to do that.

In line with such reasoning, and with the objective of fashioning a sustainable growth plan, SOFFIA has made good allround progress this year.

SOFFIA is confident that with its inherent strengths and competencies, it will be able to retain this momentum of growth in the future too.

Your Company is moving into the coming year filled with a challenging task to match the high expectations and to deliver to our customers and shareholders not just the financial but ethical and creative returns and enhance the value of their investment with us.

R. VENKATA SUBRAMANI





*E*conomic value is driven by both
growth and cash flow returns on
investments. Which in turn is driven by
margin and the productivity of assets.
So asset productivity is the key to
creating economic value.

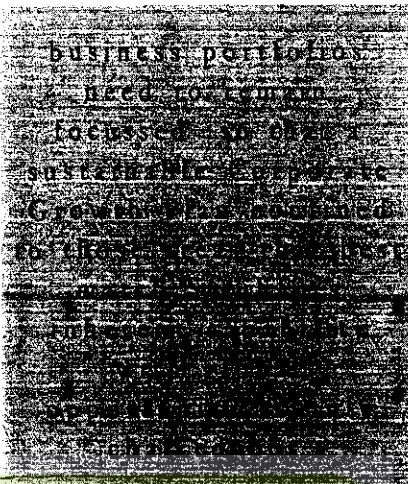
DAVID YOUNG

Vice President & Member
of the Board of Directors
The Boston Consulting Group



OUR VISION

SOFFIA is committed to investing in state-of-the-art technologies to develop, deliver and support its products and services, and thereby realise its Total Quality & Service Vision (TQSV). We see TQSV as a journey where, when we approach an identified destination, we update our objectives and raise our goals in order to become even better. Continual, high quality, rapid development of new products, internal systems and new technologies is essential to maintain and enhance our competitiveness. SOFFIA believes that transitioning business from a relatively protected environment to the rigors of a globalised market requires necessary upgradation of capabilities to meet international standards. Therefore business portfolios need to remain focussed so that a sustainable Corporate Growth Plan confined to those areas that best match SOFFIA's inherent capability with global opportunity is only chalked out.



TOTAL
SOFTWARE
SOLUTIONS
FOR
GLOBAL COMPETITIVENESS

