

6th

ANNUAL REPORT
1999-2000



Total Solutions and Beyond



SOFFIA SOFTWARE LIMITED

www.soffia.com

E - COMMERCE CONVERGENCE

64.17



Culture is an integral part of India and so is its New Genre of Information Technologists. A Substantial 203 of the Fortune 1000 companies have sourced their software requirements from India. During the last seven years, no other country has scored such a consistent growth (CAGR), over 50% in this industry. To sum it up, the Indian IT Industry is expanding twice as fast as its US counterpart. In the financial year 1998-99, the Indian IT Industry earned in excess of US\$ 6 billion, and this was just the beginning. The Training Industry grew at over 32.7% with revenues exceeding US\$ 302 million.

IT is on top of the National Agenda as an ultimate instrument for revenue generation and a model for modernization of the nation's economy. The notable point is that most State Governments have also given top priority for the development of the IT industry in their respective States.

According to the NASSCOM-McKinsey Study Report, India projects annual revenues of US\$ 87 billion in the software and services sectors. Software exports would contribute 35% of the total exports and this industry would provide employment opportunities to a mass of 2.2 million people. This would result in a total market capitalization of US\$ 225 billion and contribute 7.5% growth in the national GDP.

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MISSION STATEMENT

"To be a catalyst
and change manager
for the e-world
and
provide complete solutions
to the growing demands and needs
of a world reaching out
to information technology."

Out performing Industry Growth

ZERO DEBT COMPANY

✓ CAGR	-	OVER 400%
✓ EPS (In Rs.)	-	12.29
✓ BOOK VALUE (In Rs.)	-	54.07



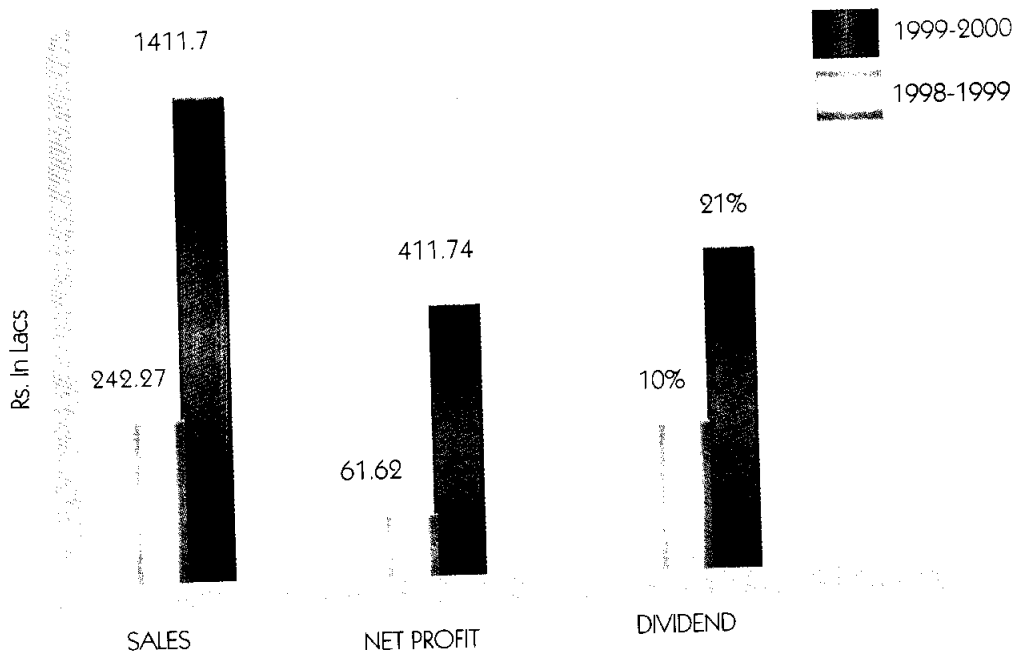
"I like the dreams
of the future better than
the history of the past."

- Jefferson

Key Financial Indicators

... OUR PERFORMANCE SO FAR

	1999 - 2000	Rs. in Lakhs
INCOME	1411.70	242.27
EXPENSES	863.68	151.99
PBIDT	548.02	90.27
INT & DEP	118.78	26.90
PAT	411.74	61.62
EPS (IN RS.)	12.29	2.05



Managing Director's Message

*The woods are lovely, dark and deep,
But I have promises to keep.
And miles to go before I sleep,
And miles to go before I sleep...*



It gives me immense pleasure to present your company's report for the year ended June 30, 2000. To start with, I'm indebted to inform you that your company has logged in a meteoric performance and a consequent rise in its revenue and ultimately, your wealth in the company. I'm also proud to tell you that your company has now reached a phase in its cycle from where we have started looking at optimizing things that were previously being only organized.

The Year That was

The year that went by has taken its place in the history for various things. Among them will be the visit of the US President, Mr. Bill Clinton, to India. The visit is significant for the Indian industry in general, and the IT sector, in particular. It has marked a clear furthering of the ties between the two countries, which is good for the IT sector and it has also helped in the polarization of the business sentiment in both the countries. The visit is to a large extent responsible for the increase in the number of visas issued by the US in India.

From being a products company to becoming a projects company and now turning new stones in this area, it is not without reason that your company believes in looking at all things as objects, be it real world or the virtual world. By believing in objects, we abstract you from the inner complexities of profit generation and encapsulate things to show only the outer gains and abstract the inner toils. We strongly believe in the saying 'As you sow, so you reap' and I'm sure, you will reap your company's harvest.

To start with, the projections for the software industry, as always, point to a massive growth for the present as well as the future. This is no old wife's tale; but, this is the gist of the study report of McKinsey commissioned by Nasscom. The report has projected that

the annual revenues of the IT software and services sector is likely to touch \$87 billions by the year 2008, with exports from the sector taking a lion's share of 35 per cent of the country's total exports and consequently, rising the employment potential to about 2.2 millions. On the whole, the IT sector is likely to contribute to about 7.5% of the growth of the national GDP and thus, will go on to boost the sector's market capitalization to \$ 225 billions.



Focus

Your company's key focus has been to have a multi-pronged strategy. Essentially, what it means is that the effort of the top management has been to harness the potential that exists in the market in the different segments of the industry. Seeds have been sown at different areas like e-commerce, telecom etc. and all have been given equal importance by making them function as individual SBUs or entities. I have the obligation to explain to you how it has been done and how we propose to make them independent entities over a period of time.



Products

The products group, being the first baby of your company, is still one of its favourite babies and this fact has been proved beyond doubt with the ambitious and most prestigious Human Resource product — eMpower.



Projects

Rather than looking from the projects angle, it would give you a better picture of the company's activities if seen from each division's point of view. By listing out each division's performance and charting out their future plans, you will know how your company is progressing and also how it seeks to improve on that.



e-commerce

There is, generally, a panic, a frenzied panic, when the word 'dot-com' is uttered. Though it is one part of the story, another part of the story that makes faces bloom is that your company — Soffia Software Limited — has weathered the storm and is proud to be amongst the companies that will survive in the e-commerce segment. One of the main reasons why your company's e-commerce division has survived is because it did not only focus on portals and vortals; but it also focused on what the jargon-world calls the e-frastructure for the segment. The division's focus has been on various sub-segments like payment gateways, ASPs etc. To put it in a nutshell, your company has gone beyond and above those dot-coms for whom profitability is just a concept. For your company, concept has been applied and is profit-personified.