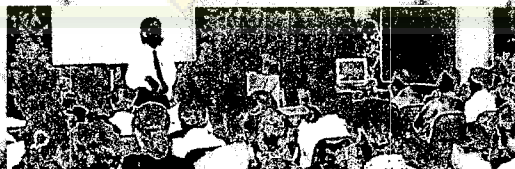




MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



ROLTA INDIA LIMITED

Ushers you to the next millennium

ANNUAL REPORT 1998



Honourable Prime Minister of India Mr. Atal Behari Vajpayee presenting the National Export Award for outstanding performance 1997-98, to our Chairman & Managing Director Mr. Kamal K. Singh.

ROLTA INDIA LIMITED**BOARD OF DIRECTORS****Mr. K.K. Singh***Chairman & Managing Director*

Mr. R.R. Kumar
Mrs. Aruna K. Singh
Mr. S.L. Baluja
Mr. K.R. Modi
Mr. A.D. Tayal
Jt. Managing Director

Mr. A.P. Singh
Mr. H.P. Ranina (*Alternate to Mr. A.P. Singh*)
Mr. M. Edwards
Mr. R.K. Kaul (*Alternate to Mr. M. Edwards*)
Mr. A. Chakrabarti
Dy. Managing Director

Top Management Team

Mr. K.K. Singh
Chairman & Managing Director

Mr. A.D. Tayal
Jt. Managing Director

Mr. A. Chakrabarti
Dy. Managing Director

Dr. M.K. Munshi
Executive Director – Technical & Marketing Support

Mr. K.R. Vaidyanathan
Executive Director – Sales & Marketing

Mr. D. Guha
Executive Director – Commercial & Distribution

Mr. M.L. Mehra
Executive Director – General Administration

Mr. T.V. Holay
Executive Director – Personnel & H. R. D.

Mr. V.L. Ganesh
Executive Director – Finance

Mr. D. Das
Executive Director – Plant Design & Modelling

Mr. L. Jayanti
Executive Director – AM/FM Conversion Services

Dr. S.R. Bhot
Executive Director – Internet Services

Mr. R.A. Tripathi
Executive Vice President – Finance & Administration

Mr. P.V. Buddhiwant
Executive Vice President – Cust. Support

Mr. T.P.S. Vohra
Executive Vice President – Mapping & Infrastructure

Mr. S.K. Shirguppi
Executive Vice President – Plant Design Systems

Mr. R. Singh
Executive Vice President – Sales & Support

Mr. V.K. Sawarkar
Executive Vice President – Internet Services

Overseas Operations

Mr. A.P. Singh
President
Rolta International, Inc., USA

Mr. M. Edwards
Managing Director
Rolta Saudi Arabia Ltd.

Mr. G. Wilkison
Vice President
Rolta International, Inc., USA

Mr. R. Glasier
Vice President
Rolta International, Inc., USA

Mr. E. Jansma
Vice President
Rolta Europe B.V.

Mr. A. Hawkes
Vice President
Rolta Europe B.V.

Banks & Financial Institutions

Central Bank of India
 Union Bank of India
 Bank of Baroda
 Vijaya Bank
 Times Bank Ltd.
 Export-Import Bank of India
 Industrial Development Bank of India

Solicitors

Kanga & Co.

Auditors

Khandelwal Jain & Co.

Mr. T.R. Fernandes*Assoc. Vice President & Company Secretary***Registered Office**

Rolta Bhavan, MIDC-Marol,
 Andheri (East), Mumbai 400 093.
 Tel. No. : 8327708 (5 Lines)
 Fax No. : 8365992
 Website : www.roлта.com
 Email : investor@rolta.com

Mission Statement

Rolta will be the preferred choice for providing knowledge-based IT solutions, through pioneering efforts to meet market demands and exceed customer expectations, achieved by an empowered team of Roltaites, for maximising value to its stakeholders.

ROLTA INDIA LIMITED***Chairman's statement***

Dear Shareholder,

Rolta has had yet another successful and eventful year. We were able to exceed our targets in 1998, both in the domestic market, as well as for our international operations. In India, Rolta retained its position as the # 1 supplier of CAD and GIS solutions. Internationally, Rolta has earned recognition and respect as a top AM/FM/GIS conversion services provider.

It is a matter of great pride for all of us at Rolta that the Company was recently awarded the "National Export Award for Outstanding Performance 1997-1998" by the Government of India. This award, presented by the Honourable Prime Minister and the recognition received from various independent rating agencies, gives us the confidence that our strategy for attaining corporate goals is producing the desired results.

In the last few years, we took several steps that positioned us well to strengthen our leadership in the markets we serve. We increased our focus on identifying new growth areas within our core competence. We acquired new facilities and revamped existing infrastructure, improved productivity across our operations, and adapted the organisation to respond to changing market demands. We were thus able to deliver our products, services and solutions more efficiently, ensuring that our customers stayed competitive.

The 1998 financial results demonstrate to our customers, employees and investors our commitment to continually improve our performance. The strategic decisions we have taken in carving out our growth path have helped strengthen our areas of core business and have fortified our leadership in India and abroad.

It has always been Rolta's philosophy to consciously expand the scope of our products and services by adding areas that leverage our core competencies, and at the same time, continually take bolder initiatives to capitalise on new opportunities in related fields.

In 1998, we established a Plant Design & Modelling Centre, a facility incorporating state-of-the-art technologies as well as experienced and skilled engineers, to address the needs of the Process Industry. Rolta already has the skills and experience for providing technical services for large AM/FM/GIS conversion projects on the one hand, and on the other hand, an in-depth understanding of Intergraph's Plant Design System, the world's most widely used CAD software for plant design and modelling. Thus, providing services in this segment of the market is not only an extension of our current offerings, but also a pioneering effort for the industry. We believe our unique combination of skills and experience places us at the forefront of service providers, and will result in significant business in this segment in the coming years.

We have also identified Mechanical Design & Modelling as an area of growth. Effective steps are being taken to address this segment in India with "best-of-breed" product offerings, and internationally with technical services, in line with our established global offerings. This plan will be implemented in 1999 and thus, Rolta will be well positioned to provide products and services to the largest segment of the CAD market.

In keeping with our philosophy as stated earlier, Rolta has also taken concrete steps to open up a new line of business within the IT industry. The Company has entered into strategic alliances with global leaders in the Internet arena, and is establishing a model facility with "best-of-class" system components for providing comprehensive Internet access services, in Mumbai. Various connectivity options will be offered including dial-up, ISDN, lease line and the latest Digital Subscriber Line (DSL). Rolta as an ISP will provide value-added services such as Gaming, Chat, Messaging, Newsgroups, VPN, Web Hosting, Server Co-location, etc. Further, this will allow us to expand and grow into areas with significant potential such as e-commerce and provide Internet consulting services globally.

At Rolta, we are geared to enter the coming millennium with a clear focus on the direction we want to take, and a commitment to create value – for our customers by helping them achieve business objectives, for Roltaites by making work more meaningful and satisfying and for our shareholders by generating profitable growth.

Sincerely,



Kamal K. Singh
Chairman & Managing Director
April 6, 1999



ROLTA – CORPORATE VALUES

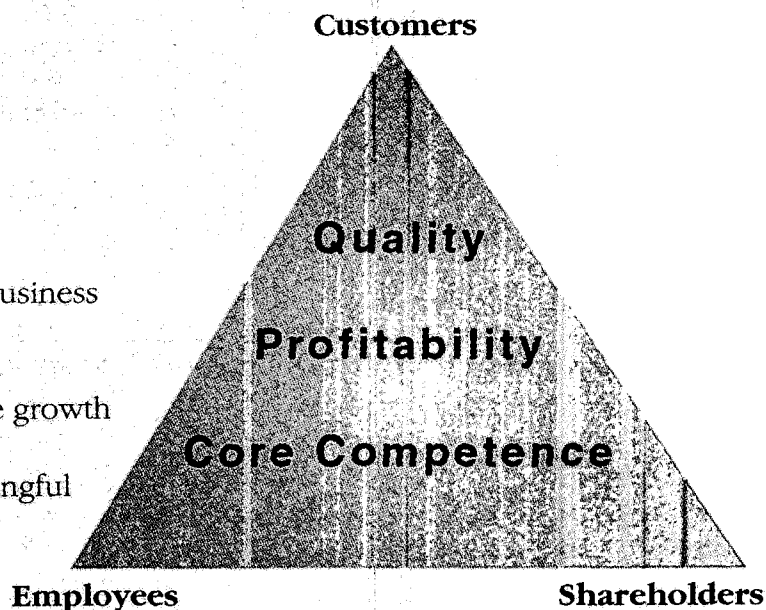
Focus

Rolta is committed to create value...

... for **Customers**, by helping them achieve business objectives

... for **Shareholders**, by generating profitable growth

... for **Roltaites**, by making work more meaningful and satisfying



ROLTA

Quality Policy

We provide products and services that consistently meet or exceed our customers' expectations. Furthermore, we actively pursue goals aimed at achieving excellence in the products and services that we provide to our customers.

ROLTA

Quality Objectives

- ✓ Provide dependable products and services that meet customer expectations--first time, on-time, every time.
- ✓ Recognize that all our commitments, services, and products are an expression of quality.
- ✓ Achieve excellence through systematic review of operations and improve our business credibility.



Kamal K. Singh
Kamal K. Singh
Chairman and Managing Director

ISO – 9001 Certified since 1995

ROLTA INDIA LIMITED

**Amongst the Top 5
Global AM/FM/GIS
conversion service providers
(London Financial Times)**

**The No. 1 provider
of turnkey CAD/GIS
solutions in India**



**National Export Award for
Outstanding Performance, 1997-98**

**Super-ranked 29th
amongst the Top 1000
Corporates in India
(Business Standard)**

**Amongst the 100
Most Valuable
Indian companies based
on market capitalisation**



CORPORATE OVERVIEW

PHILOSOPHY

Rolta's purpose has always been to provide effective knowledge-based IT solutions – to anticipate the aspirations of customers and to respond creatively and competitively, through pioneering efforts that make Rolta the preferred choice.

Rolta's success is based on a total commitment to exceptional standards of performance and productivity, to working together effectively, to leveraging core competencies and to a willingness to embrace new ideas and learn continuously.

HISTORICAL PERSPECTIVE

Rolta was founded in 1982 and adopted a deliberate approach to create a "nucleus of computer professionals and an IT culture" in the organisation. A data processing centre was initially set up and Rolta quickly moved up the value-chain for services, from time-sharing to development of customised software packages and turnkey solutions. Hence, Rolta could effectively enter the overseas market, primarily USA, for software projects (mainly on-site).

Rolta had achieved its basic objectives by 1985 and it was critical for the organisation that the right direction was adopted to carve a consistent path to its destiny.

INTRODUCED CAD/CAM/GIS

Rolta took a conscious decision to introduce CAD/CAM/GIS in India. This was selected as the specialised area for Rolta's growth, as it provided a tremendous opportunity for growth and significant leadership potential. In 1986, Rolta established an exclusive business relationship for India, with Intergraph Corporation, USA – the world's largest company dedicated to Interactive Graphics applications. Rolta made significant investments in building a strong infrastructure to independently support these high-tech applications.

The breakthrough Order came in 1987 for a turnkey project, valued at US\$ 10 Million, awarded by Survey of India. Significant orders followed from most of the nodal agencies and leading corporates in various sectors, such as space research, defence, telephone/electric utilities, engineering consultancy, environment, aircraft/automobile manufacturing, etc.

Rolta was successful in pioneering CAD/CAM/GIS applications in India and has never looked back.

TOTAL SOLUTIONS COMPANY

In 1989, Rolta further strengthened its collaboration with Intergraph by entering into a Technology Transfer Agreement, whereby Rolta, in India manufactured the

latest engineering workstations in a state-of-the-art facility. This enabled Rolta to overcome regulatory import constraints and offer cost-effective turnkey solutions, which resulted in increased market share and development of in-house technology skills. These solutions included hardware, software and comprehensive services and generated much higher value-addition than typical product sales, as software and services constituted the dominant portion of the order value.

In this process, Rolta created a team of highly skilled and experienced CAD/CAM/GIS engineers and also prepared a platform, which served as a launch pad in the subsequent years for making Rolta what it is today.

Rolta has continually built upon corporate strengths and acquired additional skills to consistently provide high quality, world-class solutions and services.

PRODUCTS & SERVICES FOR THE DOMESTIC MARKET

Rolta is today, one of India's foremost Information Technology companies and offers a range of solutions that is a unique combination of seamlessly integrated software tools bundled with state-of-the-art world-class hardware and comprehensive services for a broad range of technical applications. Rolta has also obtained a licence for offering Internet Services from Department of Telecommunications (DOT) and is setting up a model facility to offer a complete range of Internet access services in Mumbai. Solutions are provided in the following major segments to address the domestic market:

● Infrastructure & Mapping

Rolta, in partnership with Intergraph, the dominant provider in Windows NT based GIS/Mapping solutions offers solutions that provide advanced capabilities in applications such as mapping, image processing, terrain analysis, parcel management, digital photogrammetry, cartography, environment resource. Rolta also offers integrated and comprehensive architectural and civil engineering solutions for large infrastructure projects like roads, bridges, dams, water systems, city planning and development, etc.

● Plant Design Systems

Project cycles, global sharing of engineering information and management of data/documents are three of the most important factors for a successful process/power plant. To accomplish this, Rolta offers Intergraph's Plant Design System (PDS) – the world's leading 3D tool for plant design. PDS is a comprehensive computer-aided design/engineering

ROLTA INDIA LIMITED

application for plant design and construction, offering a complete design workflow for any type of process and power plant. Engineers can generate an accurate representation of the plant, including schematics and use that information to produce deliverables for construction as well as for operations and maintenance tasks.

● Generic CAD/CAE

A comprehensive range of tools for Mechanical design; solutions for PCB, VLSI and circuit design and analysis; 3D tools for Steel Structural design/modelling, detailing and material listing; and interoperability-integration are offered.

● Engineering Workstations

Rolta, in partnership with Intergraph, offers a full range of workstations that are unique in the industry because they offer not only the leading edge of today's technologies, but also an expandable architecture that accommodates the technologies of the future and changing needs of users. With Intel's latest processors and award winning graphic accelerators, these precision engineering workstations, based on Windows NT, deliver astounding 3D graphics. These systems excel in graphics design, engineering graphics, digital imaging, desktop publishing, web design, financial analysis, CAD and more.

● Internet Services

Rolta is well set to become the premier Internet Service Provider in Mumbai, offering a comprehensive range of Internet access services, addressed at families, professionals and corporates through various connectivity options such as dial-up, ISDN, lease-line and the latest Digital Subscriber Line (DSL).

Rolta, as an ISP, will provide value added services such as gaming, chat, messaging, newsgroups, roaming, VPN, web hosting, server co-location, etc.

Acquisition of stable and proven technologies from global leaders like Microsoft, Computer Associates, Intergraph, Ascend, iPass, Lucent, Intel, CISCO, Portal, etc. have enabled Rolta to implement a state-of-the-art Internet facility. In line with global offerings, the specialised Internet skills acquired will be provided on a global basis for Internet consulting, software development, web design and content creation.

SOLUTIONS FOR GLOBAL MARKETS

Rolta is a leading supplier of CAD Conversion Services worldwide and has many years of such experience in process design, engineering, facility and AM/FM/GIS systems. These services have been provided in

compliance with a wide range of customer defined standards. Rolta's unique conversion approach enables it to convert customer data very cost effectively without sacrificing turnaround times or quality. Rolta successfully handles all aspects of a conversion project, including defining specifications, rule-base design, software development, data scrubbing, digitising, attribute linkage, quality assurance and production control.

Rolta is well-qualified in providing technical assistance for the design of database applications, the implementation and customisation of rule-bases and technical services for detailed engineering, particularly in applications like Intergraph's PDS.

The combined resources of Rolta's international operations and domestic production centres provide cost benefits of offshore technical services and data conversion, with valuable local technical expertise. Rolta's state-of-the-art satellite communication facilities enable project tasks to be continuously monitored. This innovative approach reduces project turnaround time, increases quality assurance and ensures data security, saving customers valuable time and money.

● AM/FM/GIS Global Services

Rolta provides conversion services in most major software platforms, addressing the needs of utilities, local, state, and federal governments, telephone companies, transportation companies, engineering firms and other users of geographic data.

Rolta has completed or is currently working on major projects in the United States, Europe, India, New Zealand, Saudi Arabia, Fiji and Hongkong. One of the biggest contracts awarded to Rolta has been the AM/FM/GIS conversion services order for Saudi Telecom.

✓ Saudi Telecom Project

Valued at over Rs. One Billion, this is amongst the largest single-vendor AM/FM/GIS conversion contracts awarded. Rolta has converted telephone records contained on over 40,000 hand-drawn outside plant-engineering maps into Intergraph's FRAMME environment to provide a computerised model and database of Saudi Telecom's existing telephone network and is linking the raster files to facility features in the AM/FM database. This represents the conversion of 285 wire centres with over 5 Million facility features.

This project is part of a multibillion dollar project awarded to AT&T/Lucent Technologies. Intergraph is providing hardware and software for the project. Intergraph and Rolta will be replacing a 20 year old manual records system,



providing Saudi Telecom the capability to perform computerised engineering, mapping and record keeping functions.

Rolta has successfully developed numerous software tools to automate the conversion and quality control processes. As a result of Rolta's unique conversion methodology, experienced personnel and total commitment to the project, customer expectations have been consistently exceeded, resulting in repeat orders.

✓ **Other Major Customers**

Some of the other major customers include Alltel, Dayton Power & Light, Enerco New Zealand Limited, Hongkong Telecom, NEPSCO, Telecom Fiji, US West Communications, etc.

Rolta has been guided in its business endeavours throughout the world by a single underlying objective – to provide the highest quality AM/FM/GIS technical and conversion services at competitive prices.

Rolta offers services in several AM/FM/GIS areas including incorporation of rule-based feature connectivity models; re-mapping of facilities on a landbase into different co-ordinate systems; integration of map feature and attribute data from multiple and sometimes conflicting sources and documents; and the development of digital landbase maps – inclusive of planimetric topographic and cadastral features.

Rolta has already graduated from simple conversion to creating sophisticated digital databases on multiple platforms. Consulting services are also offered to help design and implement AM/FM/GIS systems. In the area of GIS implementation, Rolta is already stepping into areas requiring a higher level of skills, such as cadastral mapping and photogrammetry.

● **Plant Design & Modelling Global Services**

For plant design and modelling applications Rolta offers services requiring P&ID conversion, 3D plant modelling, database implementation, documentation and software engineering for numerous owner/operators and plant engineering firms in the process and power industries.

Rolta provides a complete package of services to establish, drafting and symbology standards for a customer's plant reference database; install the P&ID database at a customer's plant and provide on-site support to make the system operational and offer on-going services for maintenance of the database to keep P&IDs current.

Rolta has a large pool of experienced engineers with extensive skills in Intergraph's PDS and allied CAD tools in various disciplines such as piping, civil, structural, mechanical, electrical and instrumentation engineering. Whether customer requirements are for P&ID conversion, 3-D piping and equipment modelling, structural modelling, document management, data warehousing, as-built models from close-range Photogrammetry, software engineering or other needs, Rolta is equipped to offer comprehensive technical services for users in the process and power industries.

● **Mechanical Design & Modelling Global Services**

The development of comprehensive 3-D digital models of parts and assemblies, products and other designs are increasingly needed in many industries. Rolta proposes to bring the high quality results and low costs of its offshore services to this marketplace. These models could be a manufacturer's current product, or of future design concepts. Utilising most popular 3-D CAD systems, Rolta will be able to assist customers in completing their projects cost-effectively.

Rolta is taking effective steps in acquiring these technologies from world-leader(s). Engineers with extensive experience of the industry and these technologies have already been hired and equipped with the latest tools. This plan will be implemented in 1999 and thus, Rolta will be well positioned to provide products and services to the largest segment of the CAD market.

BUSINESS SEGMENTS

Rolta acquires the skills and expertise to enhance core competencies and provide solutions to the local market. The global market is addressed on the basis of these core competencies.

Operations are based on the philosophy of leveraging core competencies. Hence, both, the domestic as well as global offerings have absolute synergy. This ensures a broad-based operation in specialised segments, whereby Rolta is able to maximise all its strengths and resources.

