ROLTA

ROLTA INDIA LIMITED
**ANNUAL REPORT 2003-04**

Contents

For years,
Maximise!
has been core to Rolta's strategy

Because it entails a superior way of doing things.
An efficient transfer of knowledge.
The intelligent management of competencies.
A compression of an increasing workflow into a
shorter time space. The enhanced re-use of in
house tools and templates. And bigger value in
the hands of our customers.

In other words, the ability to generate
increasing returns from finite resources.

Over time, 'Maximise!' has evolved
from strategy to philosophy.

Making it integral to every aspect of
Rolta's existence.
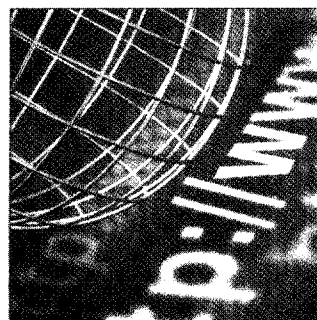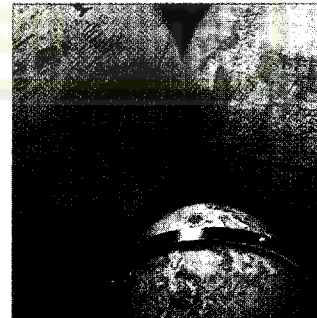
Our
mission

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.
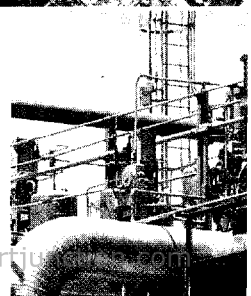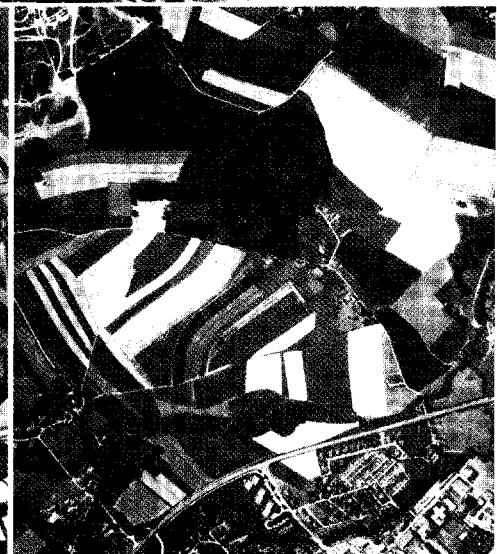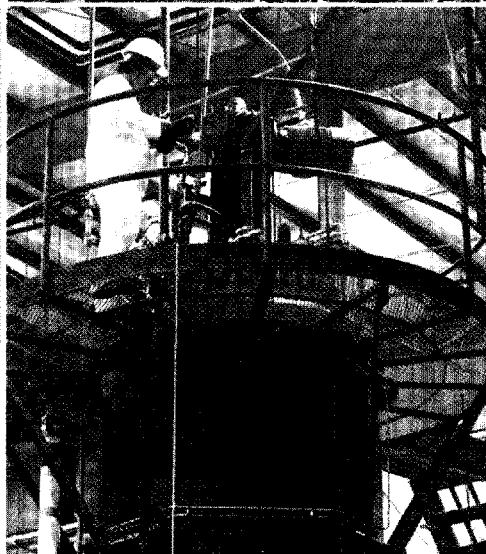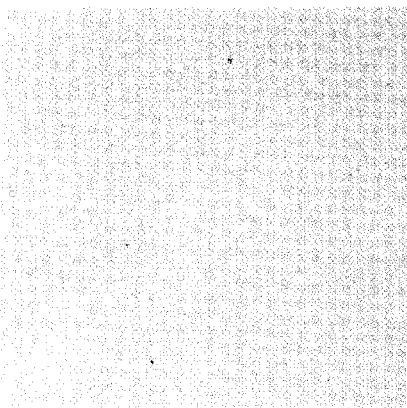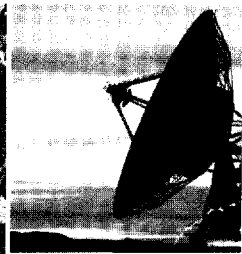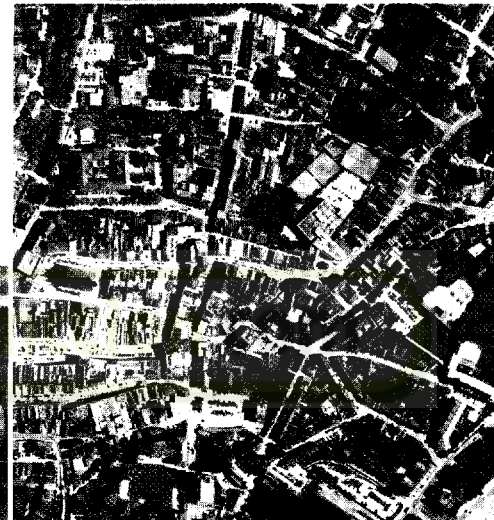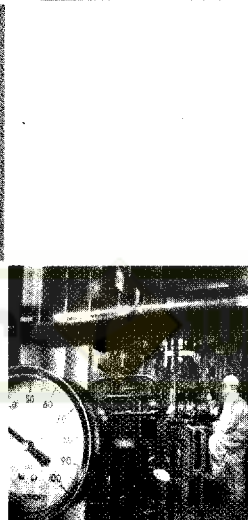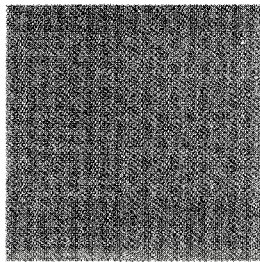
» Chairman's statement

To be successful in today's challenging global environment, businesses must be able to respond quickly to new opportunities, competitive challenges and customer needs. They must also be able to turn information into knowledge, and then use this knowledge effectively for meeting corporate goals. In other words, every business needs to be able to make the best possible use of its capabilities by "Maximising" all available resources.

At Rolta, "Maximising" has, in fact, been our core philosophy; enabling us to constantly re-invent ourselves, to remain relevant in the face of relentlessly changing technologies, yet remain focused on our core competencies. This has been the primary reason behind our successful business model. Over the years, Rolta has earned an enviable reputation for path-breaking solutions it has provided to a host of giants, in India and across the globe, from as East as Fiji to the US Western Coast.

Rolta has been the No. 1 provider of CAD/CAM/GIS solutions in India, for well over a decade now – with large orders executed in core sectors like defence, telecom, space, engineering, petrochemical, power, manufacturing, etc. We are also amongst the world's leading AM/FM/GIS and Photogrammetry service providers having completed complex and high-value export projects. Over the past year, we have also moved into the realm of high-end GIS consulting, by leveraging our in-house expertise, opening up a whole new world of opportunities.

We continue to prudently maximise the advantages available to us, as a first-mover in our selected business areas and pursue proactive measures in each of these business environments for their continued growth. For example, our strengths in the Plant Design segment have led to the establishment of a full service Engineering and Procurement Joint Venture company (Stone & Webster Rolta Limited) with the Shaw Group's Stone & Webster, Inc., USA, one of the world's foremost engineering companies. Rolta is also the preferred global partner for providing Engineering and IT consulting services for The DOW Chemical Company, USA – a relationship that only a select few companies have, worldwide. Moving further up the value chain, we are now poised to leverage our in-house skills in Photogrammetry, by using Lasergrammetry for as-built Plant Data capture and modelling.

Similarly, we have judiciously leveraged our built-up knowledge and expertise in IT Infrastructure and Security, to emerge as one of Computer Associates' top-three, Premier Global Service Partners, for eSecurity, worldwide. During the year, we have moved further up the value chain and are now also providing high-end consulting, rapid application development and testing services for large customers across a wide spectrum of industry verticals, in Europe and the US.

Our ability to continuously move up the value chain is due to our unrelenting focus on high quality deliverables to our customers. At Rolta, quality is not one-time; it is continuous, e.g. the past year saw Rolta join a select group of companies worldwide, assessed at SEI CMM Level 5 – this certification by KPMG, covers Software Development and Testing.
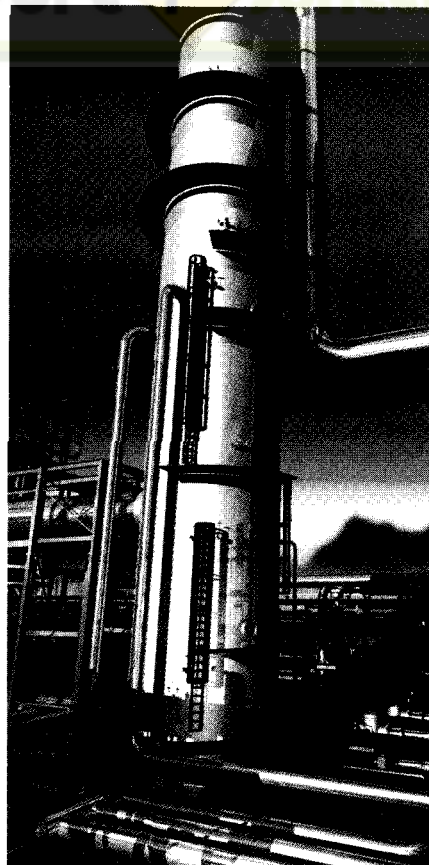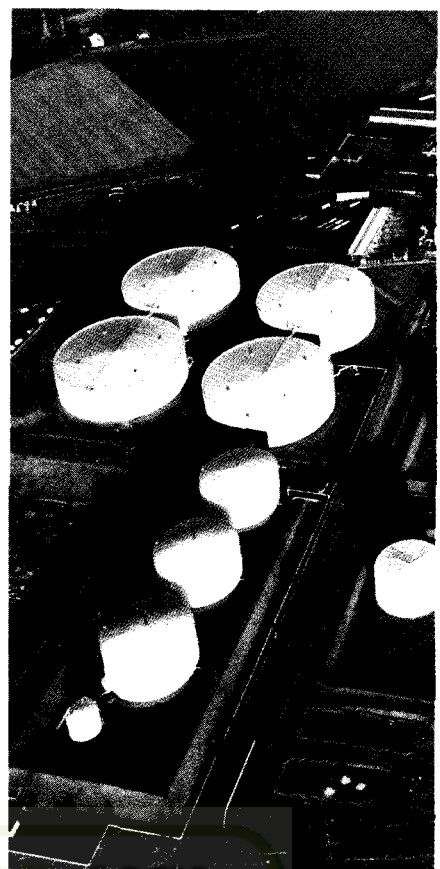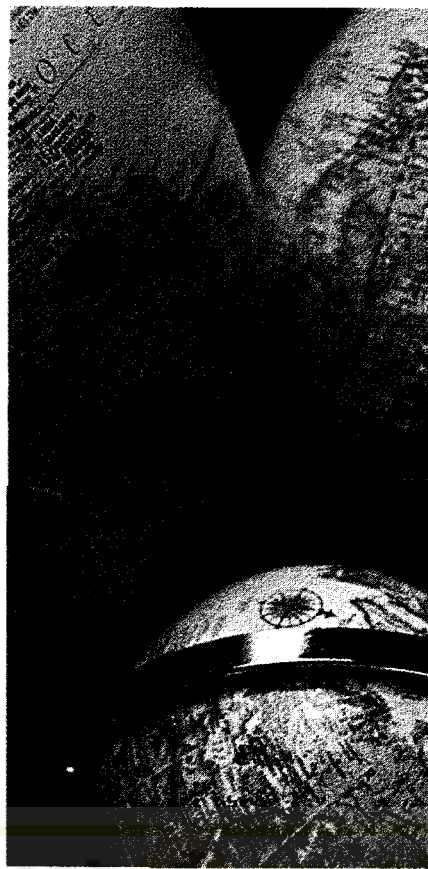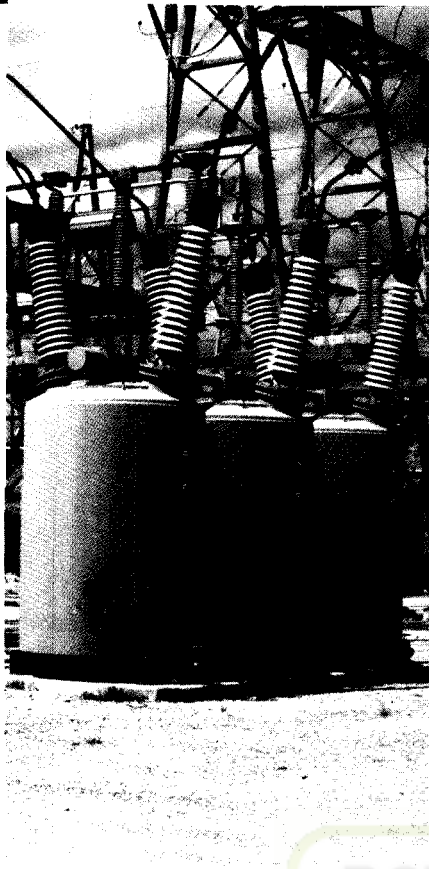
We have, over the years, developed a deep understanding of our customer needs and evolving technologies, to successfully address growing market demands. We have done this by continuously enhancing our domain knowledge, which is a unique assimilation of qualified industry experienced professionals, wide-ranging project experiences, technology from partners and proprietary Intellectual Property Rights, developed in-house with an investment of millions of man-hours.

Our exceptional capabilities to deliver value-added cutting edge solutions to the most demanding mission critical projects anywhere in the world have consistently earned us global recognition and international acclaim – we were recently named in the Deloitte Technology Fast 500 Asia Pacific rankings, reaffirming Rolta's capabilities and achievements as a leading IT services and solutions provider.

Rolta's unique abilities, specialised domain knowledge and passion for excellence have allowed us, year after year, to make significant progress in the growth of our company. As we continue to leverage the full power of Rolta's performance-driven business model, we recommit to consistently exceeding stakeholder expectations within a framework of strong business ethics and quality deliverables.

K. K. Singh
Chairman & Managing Director

■ GeoEngineering & GIS ■ Plant Design Engineering ■ Mechanical Design & PLM ■ Internet and eBusiness ■

Maximising
Leadership

Rolta's status as a pioneering leader translates into a formidable reputation and a respected brand resulting in maximised returns to all stakeholders.

The undisputed leader in GeoSpatial technology in India for nearly two decades, Rolta enjoys a market share of over 70% in this business and is the primary solutions provider to nodal agencies in Suryey, Defence, Space, Environment, Hydrology, Telecom, Electric, and other sectors.

What's more, it continues to be rated amongst the world's top GIS and Photogrammetry S/W service providers, executing complex and high value export projects for customers in US, Europe and Middle East.

In the Engineering domain, Rolta has carved out a market share of over 80% in the Plant Design Automation (PDA) segment in India by providing customised solutions to the engineering, process, oil, gas, petrochemical, power and manufacturing sectors. In the Mechanical Design Automation (MDA) segment, Rolta provides a complete range of solutions and services encompassing all areas of the product lifecycle – from "art-to-part" and beyond. Rolta's commanding presence is reaffirmed by its large market share across the country, in all strategic segments.

Moving to the next level, Rolta, in partnership with the Shaw Group's Stone & Webster (S&W), USA, one of the world's foremost engineering companies, has established an independent, full service engineering and procurement joint venture company. Stone & Webster Rolta Limited (SWRL) will pursue large contracts business in India and elsewhere, be an Engineering Design Centre for S&W's international projects including those in power, refinery and petrochemical and provide Plant Data IT services to S&W's key global customers.

Rolta is also rapidly evolving as a leader in providing cutting edge eBusiness and eSecurity solutions and services including internet, data warehousing/mining and software development. As a key partner of Computer Associates, worldwide, Rolta provides extensive services for high-end consulting, rapid application development, implementation and offshore testing on varied CA platforms.

Yet, Rolta's market leadership is much more than a mere statistic. It is an indicator of the quality of Rolta's trusting relationship with its customers. And an effective guarantor of future business.

With a dominating market share and presence in GeoSpatial and Engineering Design domains, coupled with a unique offering of eSolutions, Rolta has been the No. 1 company in CAD/CAM/GIS in India, for well over a decade.

Rolta shall continue to leverage the full power of its market leadership to ensure that it consistently exceeds stakeholders' expectations. Which is what you'd expect from a truly world-class company.

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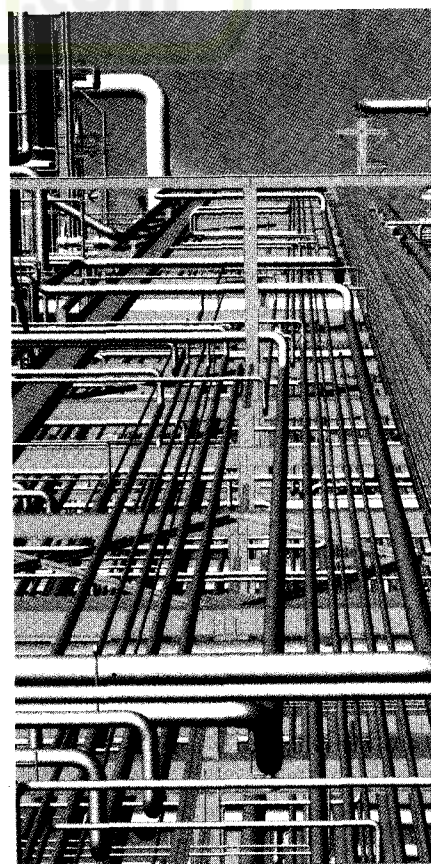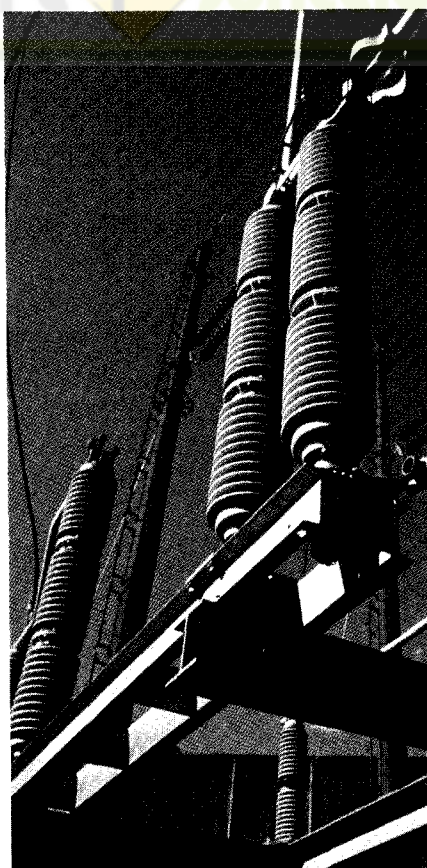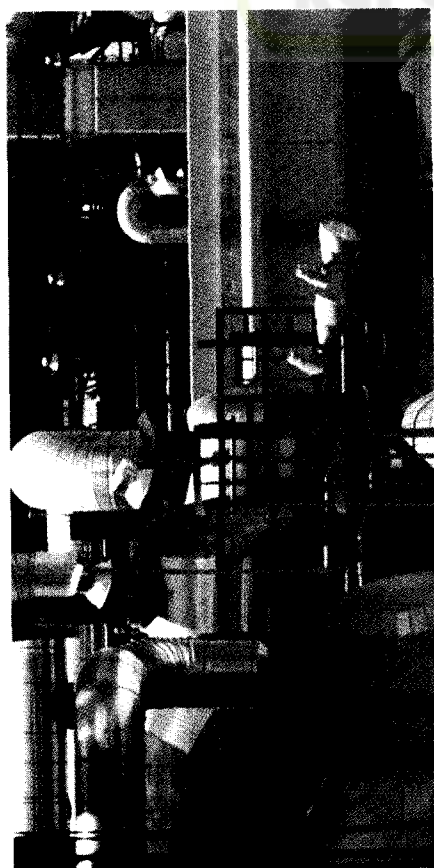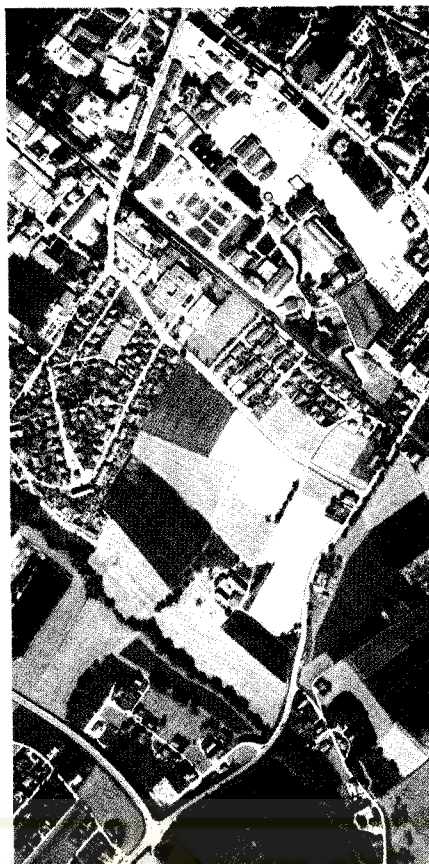
Maximising
Growth

Rolta's business model focuses on the delivery of products and services at the high end of the value chain. These high value projects have helped the company achieve steady growth.

Rolta pioneered CAD/CAM/GIS solutions in India and as customer requirements evolved, the character of Rolta's solutions too transformed from being primarily R&D, engineering and design driven, to encompassing enterprise-wide comprehensive projects, integrated across business processes.

Such large requirements are high value in nature, de-risk the company and build a progressively healthy bottom line and enable Rolta to constantly add value to its customer base while continuously focussing on core competencies. Knowledge from each project is absorbed, disseminated and leveraged with the objective of generating maximum value for increased growth.

Rolta's pioneering advantage is reinforced through aggressive investments in people, technology and infrastructure resulting in a formidable critical mass of intellectual capital in the GeoSpatial, Engineering Design and eSolutions businesses, positioning the company far ahead of competition.

These Rolta businesses are marked by a high entry barrier and are not "me-too" in character. The intelligent utilisation of the knowledge acquired in one business is extended by the company for the creation of new synergic businesses and its emergence as a leader in each of them.

Rolta's exemplary performance stems from the strength of its business model. It has posted profits and paid dividends every year since its IPO in 1990. For the year ended 30th June, 2004, Rolta posted a Net Profit of Rs. 805.0 million on revenues of Rs. 3010.5 million.

Rolta's dividend payout was Rs. 85.1 million in 1996; this will increase to Rs. 191 million in 2003-04. As a result of Rolta's constant growth, the company's gross block grew from Rs. 595.2 million in 1996 to Rs. 5175.5 million in 2003-2004. Rolta enjoyed a market capitalisation of Rs. 600 million at the end of 1996; this increased to Rs. 4048 million by the end of June 2004. Rolta's EVA in 2003-04 stood at Rs. 322 million as compared to Rs. 14 million in 1996.

Rolta's growth is also reflected in the increase in its people and today, Rolta has a strength of over 3,000, up from 750 in 1996.

As Rolta pursues its activities in various market segments worldwide, its high-value, high-growth portfolio continues to provide the foundation for continued superior performance.

Rolta shall continue to leverage the full power of its performance driven business model to ensure that it consistently exceeds stakeholders' expectations. Which is what you'd expect from a truly world-class company.

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