A N N

R E P O R T

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Registered Office
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Auditors of the Company
Jain Singhal and Associates
Chartered Accountants,
E-169, Masjid Moth,
Greater Kailash-III,
New Delhi-110 048

**Company Secretary &
Compliance Officer**
Mr. Rajeev Singal

Bankers to the Company
Central Bank of India
South Extension-II,
New Delhi-110 049
Phone : (011) 625 3069/1995

Bank of India
G-1&3, Hauz Khas Enclave,
Mehrauli Road,
New Delhi-110 016
Phone: (011) 656 7732/3713

HDFC Bank
C-5, Commercial Complex,
SDA, New Delhi-110 016
Phone: (011) 652 6750/51/52

ANZ Grindlays
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New Delhi-110 049
Phone: (011) 625 5891/2671

Gl balabil y

*D*ear Shareowners,

Last year saw STG making remarkable progress in the area of its core competency -- emerging technologies. Emphasis was also laid on maintaining rigorous standards of quality, both in our products as well as services. The result is for all to see - quantum growth that has surpassed all expectations as well as boundaries.

As the first step towards globalising its operations, STG has set up a wholly owned subsidiary in New Jersey, USA. Recently a wholly owned subsidiary has been set up in Australia as well. Together they will enable us to tap the immense potential of software opportunities available in the two continents.

Globalisation has again been the focus on the software education front. First two training centres are already operational in Abu Dhabi and Sri Lanka, and centres in Bangladesh and Dubai will soon be functional. But this is just the beginning. This year many more training centres are planned in various countries.

As you know, technology has always been the backbone of STG, the bedrock of its outstanding success. Last year the thrust was on entering newer hi-end technology areas. With an emphasis on providing web-enabled applications combined with e-commerce and WAP. The design for a B2B Digital Trade portal was initiated, with an aim to help small and medium enterprises trade on the web. The portal has now been launched and is receiving excellent response. We have also strengthened our foothold in software consultancy by providing world-class turnkey solutions to many corporate giants. To meet the growing demand of our international clientele, STG has set up an independent off-shore facility, which is fully equipped with the essential infrastructure to handle large software projects. And our endeavours to maintain high quality standards have borne us rich dividends. Not only in a satisfied customer base but also in getting us the ISO 9001 Certifications.

All in all, it was an action-packed year. And the coming year looks even more promising. Aggressive acquisition of software companies within India and abroad will be the key of our growth strategy. To implement this, we are planning to expand our authorised capital to Rs. 20 crores. We have also formed a high level committee which will carry out a thorough evaluation of each acquisition. On the global front, we will concentrate on tapping business opportunities in developed countries of Europe and the US, by acquiring only those companies that are focussed on emerging technologies or are targeting a specified vertical segment. This will enable STG to move up the value chain, and provide the benefits of emerging global software technologies to our clients.
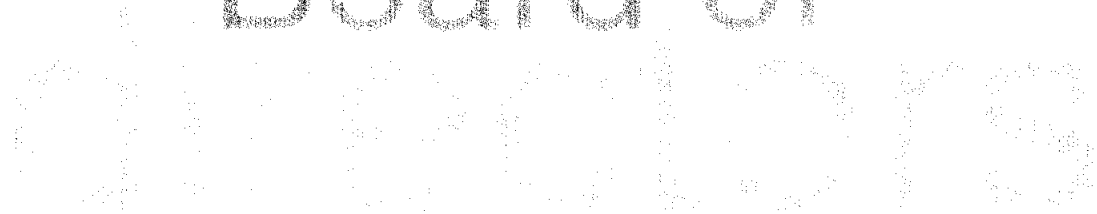
With all these plans on the anvil, we are looking at over 100% growth in revenue and profitability in the coming year!

We are definitely on the fast track. And with your support, I am sure we will continue to dare. And continue to dream.

Yours truly,

Yogesh Vaidya
Chairman

Board of directors

committees in pursuance of corporate governance

Compensation Committee	**Investment Committee**	**Group Transaction Committee**	**Share Transfer Committee**
Yogesh Vaidya	Yogesh Vaidya	Narendra Saxena	Narendra Saxena
Prof M M Mukherji	Narendra Saxena	Prof M M Mukherji	Sanjeev Prasad
Dr. Rajan Saxena	Dr. Rajan Saxena	Dr. Rajan Saxena	

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Achievements

" Great minds
have purposes,
others have
wishes."

Washington Irving

Last year saw the implementation of STG's rapid augmentation plans, which included expansion of its operations to the far corners of the globe and focussing on its software expertise.

Beyond Indian shores

As STG consolidated its leadership on the domestic front, it also made major forays into the international market including US, Europe, Australia and the Middle East. Last year it opened its first software education centre in Abu Dhabi, UAE - many more such centres are planned for the Middle East and Asia.

Increasing International presence

As a part of the expansion plans for its Software Development and Consulting Division, last year the company established a wholly owned subsidiary - STG International Inc. in New Jersey, USA.

In pursuit of quality

STG's commitment to rigid quality control standards has paid it rich dividends. It has been awarded two ISO 9001certifications. The first one for design, development and printing of courseware for STG's software courses and the second certification for its Software Development Division.

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