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TRIGYN
technologies
(Formerly known as Leading Edge Systems)

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Quality System
Quality Endorsed Company

ANNUAL REPORT 2000 - 2001

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BOARD OF DIRECTORS

S Y REGE
ATUL KAMATH
RAM BHAGWAT
TUSHAR VAIDYA
ANIL AHUJA

COMPANY SECRETARY

NITIN WAJE

AUDITORS

BSR & CO.
CHARTERED ACCOUNTANTS

SOLICITORS

CRAWFORD BAYLEY & CO.

LEGAL ADVISORS

SANJAY A PATKAR

INTERNAL AUDITORS

V.S. PARANJAPE & CO.
CHARTERED ACCOUNTANTS

BANKERS

GLOBAL TRUST BANK LIMITED

CORPORATE OFFICE

UNIT 27, SDF-I,
SEEPZ, ANDHERI (EAST),
MUMBAI 400 096.

US OFFICE

1, METROPLEX DRIVE,
EDISON, NJ 08817,
USA.

DEVELOPMENT CENTRE

A1, PIROJSHA NAGAR,
GODREJ SOAPS COMPLEX,
EASTERN EXPRESS HIGHWAY,
VIKHROLI (EAST), MUMBAI 400 079.

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Quality Policy

At TRIGYN Technologies Limited, the management and the employees are committed to secure a long-term partnership with each customer. We are into the business of providing Custom Engineered Software Solutions, Product Development, Consulting Assignments, Software Migration & Maintenance. We want to be the preferred supplier of the products and services that we offer. We intend doing this by:

- Ensuring that all products and services will provide complete satisfaction through meeting or exceeding the mutually agreed requirements and expectations consistently.
- Fostering a team environment where quality is everyone's responsibility.
- Promoting a philosophy of continuous improvement embraced by each and every employee.
- Inculcate awareness in all our employees to be responsible for what they produce.

Goals

⇒ To maintain and continuously improve Quality System based on ISO 9001-1994, IEEE 1298.1-1992 and AS 3563.1-1991 standards.

⇒ Achieve SEI - CMM Level 5.

⇒ Introduce / Inculcate TQM culture & Business Excellence to achieve:

- Customer Delight
- Empowered Employees
- Higher Revenues
- Lower Costs

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NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the members of the company will be held at A-1, Godrej Soaps Complex, Eastern Express Highway, Vikhroli (East), Mumbai 400 079 on Friday, September 28, 2001 at 4.00 p.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2001 and Profit and loss Account for the year ended on that date and to consider the Directors' and Auditors' report thereon.
2. To declare a dividend on preference shares for the financial year ended March 31, 2001.
3. To appoint a director in place of Mr. Atul Kamath who retires by rotation and is eligible for re-appointment.
4. To appoint a director in place of Mr. S.Y. Rege who retires by rotation.
5. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

Special Business:

6. To pass with or without modification the following resolution as special resolution.

   Resolved that pursuant to provisions of section 81 and other provisions of the Companies Act, 1956 or any other Law as applicable consent of the company be and is hereby accorded to the Board to issue for subscription and allot for the benefit of such person(s) (including non residents) who are employees of the group companies, including direct and indirect subsidiaries, 85,850 equity shares of the Company at an exercise price of Rs. 78/- per share (hereinafter refered to as "Shares") upon exercise of options granted in lieu of the options already held by them in such other group companies as aforesaid and such further shares at such exercise price as may be permissible under the Employment Stock Option Scheme 2000 evolved by the company and as approved by the shareholders at the Extra Ordinary General Meeting held on June 20, 2000 or as per the guidelines issued by the Securities and Exchange Board of India in one or more tranches and in such numbers including the options already granted so that the total number of equity shares issued or which may result from allotment of Equity Shares or upon conversion of any of the aforesaid shares at any time and from time to time shall be within the guidelines issued by Securities and Exchange Board of India or any regulations framed by any authority from time to time.

   RESOLVED FURTHER that new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall be entitled for dividend on pro-rata basis from the date of allotment and on the amount paid-up on the new Equity Shares and shall rank pari-passu in all respects with the then existing Equity Shares of the Company. In case Bonus or Rights issue is made pending conversion of warrants, such warrants holder shall have the same right for bonus and rights issue as offered to equity shareholders and the Board be and is hereby further authorised to amend, alter or modify the terms and conditions of the issue of such shares from time to time with regard to dividend and/or pari-passu nature of such shares in accordance with the Articles of Association of the Company.

   RESOLVED FURTHER that for the purpose of giving effect to all or any of the foregoing the Board be and is hereby authorised inter-alia to do all such acts, deeds, matters and things whatsoever, including settling any question doubt or difficulty that may arise, as it may in its absolute discretion consider necessary, expedient, usual or proper in or about the premises.

By Order of the Board of Directors

Sd/-

Atul Kamath
Director

Mumbai,
May 22, 2001.

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NOTES:

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself/herself on a poll only. A proxy need not be a member.
2. The instrument appointing a proxy should be deposited at the registered office of the company not less than forty-eight hours before the time fixed for the meeting.
3. Members/Proxies should bring the attendance slip duly completed in for attending the meeting.
4. Members desiring any information on the business to be transacted at the meeting are requested to write to the company at least 10 days in advance to enable the management to keep the information, as far as possible, ready at the meeting.
5. The register of members and transfer books of the company will remain closed from September 26, 2001 to September 28, 2001 both days inclusive.
6. All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days between 11 a.m. and 1 p.m. except Saturdays, upto the date of the Annual General Meeting.

By Order of the Board of Directors

Sd/-

Mumbai, May 22, 2001.

Atul Kamath
Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.

Item no 6.

At the Extra Ordinary General Meeting held on June 20, 2000 the share holders have approved the resolution for issue of options for the benefit of employees under Employment Stock Option Scheme. As members are aware the company had acquired 100% stake in eCapital Solutions (Bermuda) Limited alongwith its subsidiaries. It is therefore necessary to specifically cover the employees of ecapital Solutions (Bermuda) limited and its subsidiaries under the ESOP scheme so as to bring parity in this respect amongst the various employees of the group companies.

The employees of eCapital Solutions (Bermuda) Limited and its subsidiaries were already granted stock options prior to acquisition of eCapital Solutions (Bermuda) Limited. Since now eCapital Solutions (Bermuda) Limited is a 100% subsidiary of our company it is imperative that those employees are allotted options (in lieu of the earlier options granted) under the Companies Employment Stock Option Scheme. The number of options to be allotted to them is determined on the basis of conversion ratio of the old options into new options of Trigyn Technologies Limited. The Company already has already granted 85,850 options under the Employment Stock Option Scheme to certain employees of Trigyn Technologies (India) Private Limited at an exercise price of Rs. 78/- per share as per above. A separate resolution is required to be passed for the purpose as per the guidelines of Securities and Exchange Board of India to cover the similar cases and that may arise from time to time.

All the directors of the company (other than the promoters) may be deemed to be interested or concerned in the proposed resolution.

The directors recommend the resolution for approval of the members.

By Order of the Board of Directors

Sd/-

Mumbai, May 22, 2001.

Atul Kamath
Director

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PERFORMANCE AT A GLANCE

(Rs. In Millions)

	for the year ending March 31,				
	2001	2000	1999	1998	1997
Total income	**936.72**	696.76	654.95	488.20	345.60
Operating expenses	**881.93**	509.99	469.92	347.15	255.81
operating profit	**54.79**	186.77	185.03	141.05	89.79
Interest and finance charges	**20.52**	12.15	2.50	1.21	0.89
Depreciation	**27.20**	27.81	14.52	7.49	5.78
Profit before taxes	**7.07**	146.81	168.01	132.35	83.12
Taxation	**22.61**	47.12	34.89	25.53	22.12
Net profit	**-15.54**	99.69	133.12	106.82	61.00
Dividend %					
Equity	**0.00**	30.00	30.00	30.00	22.50
Preference	**65.00**				
Equity	**0.00**	25.57	15.49	10.85	7.40
Preference	**6.03**	0.00	0.00	0.00	0.00
Share Capital					
Equity	**148.50**	69.86	65.78	32.89	32.89
Preference	**50.00**	0.00	0.00	0.00	0.00
Reserves & Surplus	**6877.54**	515.10	286.97	209.86	111.91
Net worth	**7076.04**	583.54	351.09	241.09	142.90
Net Assets	**7496.07**	816.54	564.47	247.76	147.78
Performance Indicators					
as a % of total income					
Operating Margin	**5.85**	26.81	28.25	28.89	25.98
Net Margin	**-1.66**	14.31	20.33	21.88	17.65
Taxation	**2.41**	6.76	5.33	5.23	6.40
Taxation /net profit	**319.80**	32.10	20.77	19.29	26.61
Current Ratio	**7.45**	8.03	6.10	4.24	3.66
total income/net working capital(times)	**1.08**	0.98	1.45	2.43	3.16
Fixed assets turnover (times)	**4.48**	4.29	4.54	8.21	7.61
Receivable (in days)	**161**	121	98	109	83
Investment Indicators					
Book value per share	**476.50**	83.60	53.36	73.28	43.43
Earnings per share	**0.00**	14.28	20.23	32.47	18.54
Return on capital employed %	**0.00**	12.21	23.58	43.11	41.28
Share price as on March 31, (BSE) Rs.	**78.95**	1996.25	475.00	421.00	61.50
Market capitalisation (in millions)	**1172**	13946	3125	1385	202

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DIRECTORS' REPORT

The directors are pleased to present the fifteenth annual report and audited statement of accounts of Trigyn Technologies Limited for the year ended March 31, 2001.

Financial Results **(Rs. in Million)**

Item	Year ended March 31, 2001	Year ended March 31, 2000
Gross Revenue	**936.71**	696.76
Operating profit (PBIDT)	**54.79**	186.76
Interest	**20.52**	12.15
Depreciation	**27.19**	27.81
Provision For Tax	**22.61**	17.56
Profit /(loss) After tax	**(15.53)**	129.24
Exceptional item	-	29.56
Profit after exceptional item	**(15.53)**	99.68
Appropriations		
Tax on dividend - equity	-	4.61
Proposed Dividend - equity	-	20.96
Tax on dividend - Preference shares	**0.59**	-
Proposed dividend - Preference shares	**5.43**	-
Transfer To General Reserve	-	9.97
Profit after Appropriations	**(21.55)**	64.15
Add: Balance Brought Forward	**316.61**	252.47
Balance To Be Carried Forward	**295.04**	316.61

During the year your Company's total income was higher by 34% at Rs. 936.71 million as against Rs. 696.76 million for the year ended March 31,2000. However, due to general down trend in the software market, especially in US which is the main market for the company and the allowances made by the company with respect to the customers considering the future potential of securing additional business, the company incurred a loss of Rs. 15.53 million as against the profit of Rs. 129.24 million for the last year.

Dividend

In view of the loss for year, no dividend has been recommended on equity shares. Dividend on preference shares issued to Global Trust Bank Limited has been recommended @ 65% in terms of their sanction letter for the year ended March 31, 2001, on pro-rata basis.

Increase in share capital

During the year, the issued and paid up share capital of the company has increased as under:

Equity share capital:

512,000 equity shares to India Private Equity fund (Mauritius) in terms of exercising of options held by them.

7,350,000 equity shares to eCapital Holding (Bermuda) Limited in terms of acquisition of 7,350,000 shares of eCapital Solutions (Bermuda) Limited.

1,875 to employees of the company under The Employee Stock Option Plan.

Preference share capital:

5,000,000 redeemable preference shares to The Global Trust Bank Limited in terms of the facilities sanctioned by them.

Operations

During the year, the Company decided to streamline its operations post the 100% acquisition of eCapital Solutions (Bermuda) along with all its subsidiaries. As a result, the Company reorganized its offering along the following business lines:

- Telecom
  - Unified Messaging : eVector
  - Convergent Billing : Apollo
  - Mobile solutions
  - Other Services
- Finance
  - Finance Suite
  - Dedicated and customized solutions
  - Comprehensive solutions for various segments in the finance sector
- eBusiness
  - Corporate solutions
  - Business solutions
  - Collaborative solutions
  - Domain leveraged solutions
- CRM
  - CRM solutions
  - Savvy Fusion

Of these, the company directly undertakes solutions provision in the areas of Telecom solutions, Finance and CRM and provides the other solutions through its subsidiaries.

During the year under review, the company spun off a product, eVector, from one of its subsidiaries and raised US$ 10 million from international investors of repute, Intel Pacific Inc., Reuters Investments Ltd., EurIndia Ltd. and CCP Overseas Equity Partners L.L.P. Post this investment, the Company continues, through its subsidiary, to be a majority shareholder in the eVector company.

During the year, the Company and its subsidiaries grew its revenues from key clients and have consolidated its credentials in its core offerings.

The Company and its subsidiaries had a significant exposure to Internet/Dotcom companies during the first two quarters of the year under review, with a view to capitalizing on the opportunities in the sector. However, considering the downturn in the industry and the associated risk, the company consciously reduced the exposure and did not take up any additional work in this area unless the client credentials were good. The exposure to this sector in the coming year will also be negligible.

Apollo, the convergent billing product, developed by one of our subsidiaries, is a competitive product comparable with the best international products in the space and having superior

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architecture and features. The product has been successfully beta tested and implemented in one of the telecom service providers in the UK. Appolo is being commercialized this year, the focus being set on the Tier 2 Telecom service providers, ISP/ASP's, media companies and other service companies.

Savvy Fusion, the CRM product, is undergoing final tests and would be commercialized during the coming fiscal. It is targeted at Direct Marketing Companies and retail chains. The Company has established adequate domain knowledge and product skills in this segment and is well poised to compete internationally.

The Company has also revamped its finance offering and is leveraging its domain knowledge and offerings in this segment to internationally renowned, large and medium organisations.

In view of the lower growth in the market in the US, the company has increased its focus on Europe and Asia Pacific and the Board is confident of maintaining the revenue growth aided by this strategy.

The company has also initiated several cost control measures to ensure that the gross and the net margins are maintained and improved.

Acquisitions

During the year the company has completed the acquisition of eCapital Solutions (Bermuda) along with all its subsidiaries.

Consequent upon receipt of RBI approval, the company has acquired during the year 100% stake in Applisoft Inc. at a price of US$ 9 million.

In order to further consolidate our position in Europe, the company has decided to acquire the balance 49% stake in TSC 2000 Ltd. UK. The appropriate applications have been made to the FIPB and the RBI.

Term Loan from The Global Trust Bank Limited

During the year, the Global Trust Bank Limited has sanctioned to the company, term loan facilities upto Rs. 64 crores, including preference shares, for part financing the acquisitions and for working capital requirements. The entire loan has been disbursed by the bank.

Subsidiaries

As required u/s 212 of the Companies Act, 1956, the audited financial statements of all the subsidiaries, in local currency, have been enclosed alongwith the Annual Report. The appropriate provision for losses in subsidiaries has been made by the company, wherever required.

The necessary application for enclosing the subsidiaries' financials, in local currencies, has already been made to the Central Government and approval for the same is awaited.

Depository System

The company's shares are already under compulsory dematerialization trading. At present about 75% of the company's shares are held in the dematerialized form.

Change in Registrar and share transfer agents

With a view to providing the best possible service to the shareholders, the company has appointed M/s. Share Pro Services as Registrar and Share Transfer Agents.

Fixed Deposits

The company has not accepted any fixed deposits and as such, no principal or interest amount is outstanding as on the Balance Sheet date.

Directors responsibility statement

Pursuant to section 217(2AA) of the Companies Act 1956, the directors confirm that :

i) The annual accounts have been prepared as per the applicable accounting standards, along with proper explanations relating to material departures.

ii) Appropriate accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at March 31, 2001 and of the profit & loss account for the year ended March 31, 2001.

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis.

Employee Stock Option Plan (ESOP)

The Employees Stock Option Plan (ESOP) approved at the EGM last year was implemented during the year for the benefit of the employees of the company. The plan is intended to cover the employees of the group companies as well. During the year, the company has issued options to the employees as also to the employees of the group companies. The options are generally granted at the prevalent market price. During the year, the company had granted certain options at a price below the market price, for which difference between the market price and grant price has been recognized as stock compensation cost.

However, shareholders' approval is necessary for issue of options to employees of group companies, in lieu of the option granted to them in their respective companies, prior to the acquisition. The said resolution, as per the notice sent to shareholders, is hereby recommended.

Corporate Governance

The company is taking adequate steps to ensure that all mandatory provisions of Corporate Governance, as prescribed under the listing guidelines, are complied with.

General Information for Shareholders

The shares of the company are listed on The Stock Exchange Mumbai, The National Stock Exchange and The Ahmedabad Stock Exchange. The listing fees for the year 2000 - 2001 and 2001 - 2002 have been paid to all the Stock Exchanges where the Company's shares are listed.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. S.Y. Rege retires by rotation.

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In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Atul Kamath retires by rotation and is eligible for reappointment.

Auditors

The auditors M/s. BSR & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and as required u/s 224 of the Companies Act, have informed that they are available for reappointment for the current year, which is recommended.

Auditors' Report

The Auditors' Report on the Accounts is self explanatory.

Information Pursuant To Section 217 of The Companies Act, 1956

Information to be provided under section 217(2A) of the Companies Act, read with the Companies (Particulars of Employees) Rules 1975 as amended form time to time forms part of this report. However as per the provisions of section 219 (1)(b)(iv) of the Act, the report and accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the registered office of the company or write to the Company Secretary for a copy.

Acknowledgements

Your directors take this opportunity to thank our shareholders, customers, vendors and bankers for their continued support. The directors also place on record their appreciation for the contribution made by our employees at all the levels towards the growth of the company. Special thanks are due to the Government of India, Department of Company Affairs, Secretariat of Industrial Approvals, Foreign Investment Promotion Board, SEEPZ and STPI authorities, Reserve Bank of India, The Global Trust Bank Limited, Customs and other regulatory authorities for their co-operation.

On behalf of the Board of Directors
Sd/-
Atul Kamath
Director

Mumbai
May 22, 2001.

ANNEXURE TO DIRECTORS' REPORT

Information under section 217 (1) (e) of the Companies Act, 1956, read with Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2001.

CONSERVATION OF ENERGY

a.	Energy conservation measures taken	:	The computer systems installed are designed for low power consumption
b.	Additional investments and proposal if any, being implemented for reduction of consumption of energy	:	As above
c.	Impact of measures in (a) and (b) for reduction of energy consumption and consequent impact on the cost of production	:	N. A.
d.	Total energy consumption and energy consumption per unit of production	:	N. A.
	TECHNOLOGY ABSORPTION		
e.	Efforts made in technology absorption	:	N. A.
	FOREIGN EXCHANGE EARNINGS & OUTGO		
f.	Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans	:	As detailed in the report
g.	Statement of Expenditure/Earning incurred in foreign currency		
	Income	:	Rs. 879,872,977
	Outgo	:	Rs. 662,882,942

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AUDITORS' REPORT

To the Members of
TRIGYN TECHNOLOGIES LIMITED
(formerly known as Leading Edge Systems Limited)

We have audited the attached balance sheet of Trigyn Technologies Limited ('the Company') at 31 March 2001 and the related profit and loss account for the year ended on that date, annexed thereto, and report thereon as follows:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said Order.

2. Further to our comments in the Annexure referred to in paragraph 1 above :

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;

   c) the balance sheet and the profit and loss account dealt with by the report are in agreement with the books of account;

   d) in our opinion, the balance sheet and the profit and loss account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;

   e) on the basis of representations received from the Directors of the Company, we report that no Director is disqualified from being appointed as a Director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   f) *as explained in Note 23 to the financial statements, the Company has not recognised revenues from software services rendered and expenses incurred by a Branch, pending completion of certain regulatory formalities. Had the company recognised these transactions, the net loss for the year would have been lower by Rs. 1.28 million and reserves and surplus would have been higher by a similar amount.*

   g) in our opinion, subject to the effect of the transactions referred to in the preceding paragraph, to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

      - in the case of the balance sheet, of the state of affairs of the Company at 31 March 2001; and

      - in the case of the profit and loss account, of the loss of the Company for the year ended on that date.

For BSR & Co.
Chartered Accountants

Mumbai
22 May, 2001

Vikram Utamsingh
Partner

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