

VALUES: THE TRUE MEASURE OF PERFORMANCE

RE	✓		WFO	
CS	✓			
RO	✓			
TRA	✓			
AGM	✓	✓		
YE	✓	✓		

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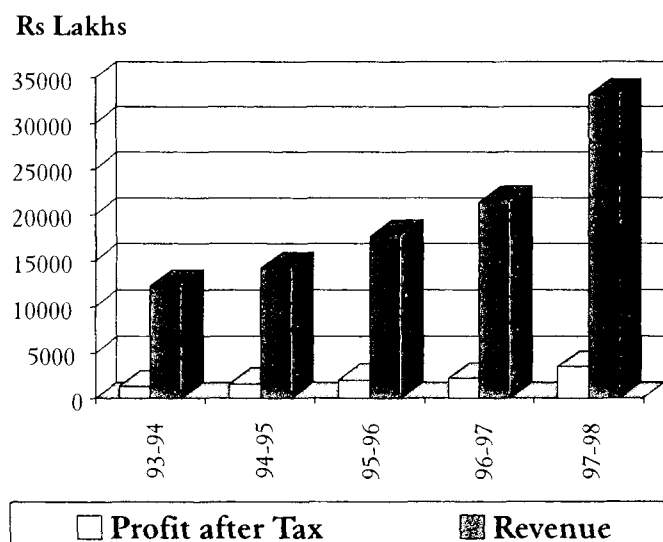


Financial highlights at a glance.

	March 31,1998	<u>Amount in Rs Lakhs</u> March 31,1997
<i>Financial Highlights</i>		
Total revenue	33058	21281
Operating profit (PBIDT)	5379	3563
Interest	159	39
Depreciation	912	605
Profit after tax (PAT)	3433	2160
Fixed assets (net)	4588	2544
Working capital	9104	6976
Net worth	11872	9248
Market Capitalisation	110775	26346
Earnings per share (Rupees)	28*	35
Dividend per share (Rupees)	6	6
Book Value per share (Rupees)	113*	158
<i>Key ratios</i>		
Return on Net worth	33%	26%
Return on Capital employed	38%	34%
Total asset turnover	9.3	9.6
Liquid ratio	2.2	2.1

* On increased capital

Revenue Trend and Profit Performance



Performance is usually measured in terms of financial growth.

Its true measure, however, lies in the values that drive it.

At Tata Infotech, the financial results achieved this year show a 55% growth in revenue and a 59% growth in net profit over the previous year. Satisfying as these figures are, they serve to reflect the values espoused by the company. Values which have enabled Tata Infotech make a difference to its employees, its customers, its business partners and shareholders.

In every interaction, be it internal or external, the Company lays emphasis on values such as commitment to the task, respect and concern for people as individuals, development of employees as prime resources, pursuit of quality as an ongoing discipline, customer delight as the cohesive goal and creativity and innovation as essential forms of value-addition.

It is these values that engender respect among the employees, customers, partners and shareholders and have earned Tata Infotech a reputation of being one of India's most respected Information Technology companies.

Sharing values with a global partner.



*Lawrence A. Weinbach, Chairman
& CEO, Unisys Corporation:*

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*Unisys and Tata Infotech have
enjoyed a long and constructive
relationship working closely as partners*

Unisys Corporation, is today, Tata Infotech's principal and strategic business partner – a relationship that has grown over a 20 year association, built on mutual trust and respect for each other and the support of their customers. Both companies share common goals and objectives, which include commitment to the customer and enhanced growth for each other.

in serving our customers. Tata Infotech brings tremendous advantage to Unisys worldwide through its experienced consultants and its Development centres in India. Unisys looks forward to leveraging the strengths of Tata Infotech as a Systems Integrator in India as we offer our solutions in the Indian market place.

THE STRUCTURE:

Designed for customer interaction.

Geared for customer response.

In evolving the structure, the Company focussed itself on the customer and his repertoire of needs.

To give the customer comprehensive solutions,

Tata Infotech positioned itself as a Total Systems

Integration company, bringing together skills and

technologies from its diverse operations.

There are 4 operating divisions: The Systems

Integration division, which provides total solutions

to customers. The Manufacturing division, which

offers contract manufacturing services for the

domestic and international markets. The Software

Distribution division, which provides value-added

services around packaged software for international

partners like Microsoft, SCO, Uniplex, and others. The Education Services division, which imparts education and training through a network of over 160 centres.

Each of these divisions work closely with each other; augmenting each others skills, providing a learning experience to employees across various technologies and industries, offering a reach to its business partners and promoting interaction and value-addition at every stage.



PEOPLE:

Valued beyond measure.

At Tata Infotech, people remain the Company's most valued resource. Its 'internal customers' who receive continuous inputs of motivation and growth.

As a necessary step in this direction, the Company places emphasis on learning, through interaction and interdependence – within a structure that allows immense scope for self-expression and self-development.

At every stage, the employee is exposed to learning opportunities through interaction with peers, seniors, customers, partners and training forums. As a result, career development becomes a two-fold

process: horizontal growth which nurtures multi-disciplinary skills and vertical growth which emphasizes on building leaders.



Ross Kerr, General Manager Logistics, IT & Footwear, Big W Discount Stores, Australia:

We have been most impressed with the calibre of people at Tata Infotech. They are highly professional, intelligent and courteous. It has been a pleasure to have TIL representatives on-site. They have fitted in very well and are great ambassadors to your company.

TECHNOLOGY:

The value-added differential.

At Tata Infotech, there is continuous investment in Technology. Technology which delivers cutting edge solutions to the customer; bringing a competitive edge to his business.

The commitment to technology led to the formation of a dedicated research group known as the Applied Technology Group, to develop and experiment with new technologies. This group works on advanced programmes in key growth areas like biometrics, cryptography, mobile networking, digital video, language processing, resource allocation & scheduling, expert systems and video conferencing.

To strengthen its research base, Tata Infotech has set up a research centre at the Indian Institute of Technology, Mumbai. Here, ATG professionals work in conjunction with the academics to transform ideas into practical value-added solutions that benefit customers. The Company also interacts closely with other academic institutes like IIT Delhi, IIT Madras, IISc Bangalore, MIT, University of Minnesota, and University of Oakland. Solutions developed by the ATG are made accessible to the customer through the expertise and skills of the Corporate Technology Groups.



PARTNERSHIPS:

For dynamic growth.

Tata Infotech has some of the best names in IT as its partners. Unisys, Compaq, Sun Microsystems, IBM, BAAN, Sequent, Oracle, Tandem, Cisco, Microsoft, Uniplex, Business Objects, MapInfo and several others go a long way in helping the Company meet complex customer requirements.

More often than not these partnerships evolve into multi-dimensional relationships working at different functional levels. Unisys is perhaps the most appropriate example of such a relationship, wherein Tata Infotech manufactures and markets Unisys products in India and offers services and solutions to Unisys and its customers worldwide. Inspired by this model partnership, TIL will strive to replicate this in other partnerships as well.



*Larry Russell, Executive Vice President,
Unisys Corporation and President
Information Services Group:*

*Our two decade long partnership
with Tata Infotech continues to grow
stronger. We have worked as true
partners on programs such as Year 2000*

*and Tax & Revenue, successfully
delivering solutions to our customers.*

Further, Tata Infotech, with its 3000

professionals, works with many of our

subsidiaries worldwide to help deliver

services to our customers. In many cases,

we have relied on TIL's Development

Centres in India. And, as a Microsoft

Premier Partner in India, TIL is also well

positioned to play a major role in our

Enterprise NT strategy.

PARTNERS:**A voice of support.**

Curtis Girod, President, Asia, Unisys Corporation:

Tata Infotech is rated very high on the credibility factor. This is attributed to good project management and a high level of confidence in the Company's sales force and amongst clients. Tata Infotech also has a competitive advantage which augments Unisys technological edge. Unisys therefore looks upon Tata Infotech as a valued partner in every country – a global strategic partner.

UNISYS

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Microsoft values its 10-year relationship with Tata Infotech.

In the words of Pradeep Rathinam, Partnership Manager:

Microsoft

Microsoft and Tata Infotech have always enjoyed a great relationship. The recent signing up of the Premier Partner Agreement has only strengthened the existing relationship and given it a new strategic thrust towards systems integration in the enterprise segment. Tata Infotech is a very important player for Microsoft in the enterprise strategy.