

Letter to the Shareholder

From the CEO's Desk

Dear Shareholder,

Greetings!

It is with great pleasure that I present the achievements of your Company for the financial year 2006-07.

Your Company's focus on scalability, strategic alliances, domain expertise and non-organic growth options has begun to yield results. In 2006-07, the revenue earnings rose to Rs.16894.49 lakhs, an increase of 46 % over the previous year. The net profits also grew by 69% reaching Rs. 796.77 lakhs.

During the year, the Company made two significant synergistic acquisitions. Your Company acquired majority stake in Codex Co. Ltd, Tokyo and Inatech InfoSolutions Pvt. Ltd, Bangalore. Inatech has a significant presence in the UK in the Oracle solution provider space. Codex services the commodities trading companies in Japan. Besides extending the market reach of your Company, these acquisitions give a good boost to our capabilities to deliver in these markets. In addition, your Company made a small but significant move in to the Chinese market winning a couple of new orders. We do believe that these steps will go a long way in creating sustainable growth and sources of revenue for the Company and earnings for the shareholder.

Your Company's subsidiary, American Healthnet Inc, has not turned around as anticipated. As it was felt that more financial support and longer time frame would be needed before it could turn profitable, your Company divested its majority equity in American Healthnet Inc in January 2007.

During the year, our group employee strength grew by 101. As on March 31, 2007, it stood at 838 employees. In an industry that is plagued by attrition, we continue to clock a low figure. Our focused initiatives to create a Growing, Enjoying and Learning work environment and efforts made to create healthy work-life balance have helped us in maintaining low attrition.

Our delivery centers were expanded in capacity both at Bangalore as well as at Chennai. The Bangalore operations were moved into a new, independent campus.

As we continue to deepen our links into the market, we are sharpening and upgrading the scope of our offerings. Through focused offerings and domain specializations, enhanced delivery capabilities supported by necessary branding and market reach, we hope to deliver superior investor value. I thank you once again for your support and look forward to your continued patronage.



S. (Sam) Santhosh

Managing Director

