

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 16th Annual Report alongwith Audited Accounts of the Company for the year ended August 31,2001.

1. FINANCIAL RESULTS

Particulars	31.8.2001	31.8.2000
i. Income from Operations	9175950	15307234
ii. Gross Profit/ (Loss)	(1487743)	1074101
iii. Financial Charges	280566	586244
iv. Depreciation	895078	750418
v. Net Profit/(Loss)	(2663387)	70372

2. OPERATIONS

During the period under review the total income was Rs 9175950/- which includes Rs3780/- domestic sales, Rs. 1856026/- from Export Sales & Rs.6610080/- branch office sales & Rs.706064/- income generated from other sources.

After providing for expenditure Rs.10944259/- & depreciation Rs.895078/- the Company has incurred net Loss of Rs 2663387/-.

3. FUTURE PROSPECTS

There has been a great slowdown in the economy worldwide and in particular there has been economic slowdown and recession in the United States . Apart from this the September 11th attack has further weekend the prospects of an immediate bounce back of the economy . This has had a tremendous effect on software companies and has also affected our own business.

We hope that the coming year will revive the economy and help us get back to a better footing.

The company's Health Care Software is now due for launch by 2nd quarter 2002 and is expected to do favorably well.

Additionally, the company is aggressively marketing its product and services in the UK, Europe and US and hopes to do reasonably well in the current year.

4. FIXED DEPOSITS

The Company has not accepted any deposit under section 58 A of the Companies Act. 1956.

5. INDUSTRIAL RELATIONS

The employee-employer relations remained cordial throughout the year.

6 DIRECTORS

In accordance with the article of association of the Company at the forthcoming Annual General Meeting of the company Dr. Vishwanath retires by rotation and being eligible offers himself for reappointment.

7. AUDITORS

M/s. Kansal & Associates Chartered Accountants, Auditors of the Company hold office until conclusion of the forthcoming annual General Meeting and are recommended for re-appointment.

8. AUDITORS REPORT

The observation made by the auditors in their report are explained in the respective notes to be accounts which are self-explanatory and do not call for further explanation.

9. PERSONNEL

Your Directors also place on record their appreciation of the all round co-operation & contributions made by the employees at all levels. The statement of Employees u/s 217 (2A) of the Companies Act, 1956 is not annexed since none of the employees falls in this category.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per section 217(1)(e) read with companies (disclosure of particular in the Report of Board of Directors) Rules ,1988 in not being given since the company has suspended its manufacturing activities.

Particulars relating to Technology absorption is nil. Information relating to foreign exchange earnings or outgo during the year under review is provided in additional information.

11. ACKNOWLEDGEMENTS

Your directors also thank & acknowledge the co-operation, assistance and support extended by the Central Government, the State Government, the financial institutions, the Company's Bankers, the Shareholders and Staff of the Company.

For and on behalf of Board of Director

Sd/
Anil K Sharma
Director

Sd/
Naresh K Chibba
Managing Director

Place: Noida

Date : 5th January 2002