

Chairman's Speech

Good Morning Dear Shareowners,

I welcome you all with great pleasure to the 23rd Annual General Meeting of your Company. I sincerely thank you all for your gracious presence and continued support which kept us motivated. I take this as an opportunity to discuss the performance of your Company and key highlights of the year which would shape our tomorrow.

Your company had taken an extension of financial year which was to end on September 30, 2014 to March 31, 2015 which was granted by Registrar of Companies. The extension was sought to comply with Securities and Exchange Board of India i.e. SEBI's guidelines to have common financial year for all listed companies.

The Directors' report, Auditors' report and Audited Accounts with notes thereon are with you for some time, I request your kind permission to take them as read.

During the concluded financial year, the Indian GDP grew at 6.9%, as declared by the Finance Ministry. However, the manufacturing and services sector witnessed muted growth rate. Your company too faced challenging business environment which got reflected in the company's financial performance. Nevertheless, for the current financial year, government has taken initiatives to support the economy, and International Monetary Fund (IMF) has projected the growth rate of GDP at 7.5% and manufacturing and services sector is expected to contribute for this. Management believes that your company is well prepared to exploit every opportunity that is expected to come during this year.

The challenging business environment required us to take critical & important decisions in order to protect interest of all the stakeholders of the company and one of those decisions was to consolidate the business around quality clients. We had to temporarily stop working with clients who were yet to clear our dues as the company has increased its focus on the realization of outstanding debtors. Although this has resulted in lower topline for few quarters now, this entire process will create an organization which will have strong base of quality customers and a scalable model on which company will ride into growth phase.

International Operations:

The company had started international operations in order to have access to vast opportunities which are being provided. Although these operations too faced challenging business environment, your company has used this as an opportunity to strengthen its operations. Apart from scouting for newer geographies and penetrating deeper into existing ones; your company has also initiated to establish a common platform across all the operations across the globe through a "Global Delivery Center" model which will have knowledge base of implementing projects. This will enable seamless sharing of knowledge and experience within the operations while ensuring that the 'wheel is not invented twice' which is expected to reduce implementation time of the projects. These initiatives are aimed at enhancing user experience in process of adding more value to the customer.

Coming to the financials, the company during the year has achieved a total income from operations of Rs.108 Cr on consolidated basis and incurred a loss of around Rs. 99 Cr. The management believes that your company was able to face these challenges successfully and tide over difficult times keeping the worst behind us. During the year your company has also invested in its Financial Inclusion Division - a large scale project that the company is implementing for various banks under the guidelines of Reserve Bank of India which has got a big push by Hon'ble Prime Minister's - Jan Dhan Yojana. During the implementation, the project has to undergo various stages before it starts generating revenues for the company. These stages are conceptualization, technology testing, pilot project and finally enter transaction stage. Currently the company has successfully crossed all these stages and has entered transaction stage.

where the company will be generating revenues. However, the volume of revenues will improve only with time as citizens accept the services provided by the company.

Our internal analysis of the ground reality makes us believe that the company would be generating considerable revenues within next two quarters. Even as the project is capital intensive, the project has been completely funded by internal accruals thus far and we have successfully seen through the period of high initial costs and less revenues which is common for all the large scale projects and as the owners of the company, we should see substantial profits from these investments during the next financial year.

Having faced tough situation and withstanding the test of time, we are continually motivated and look for growth opportunities. Management has identified the following growth drivers which will put the company back on the chosen patch of growth and prosperity.

A) Identification Solutions: With the consolidation of business around quality clients, your company expects to grow at a much faster rate after the period of consolidation

B) eGovernance & Smart Card Manufacturing: The company has emerged as a market leader in the Financial Inclusion space. Clearly, this gives the company with clear earnings visibility for next five years coupled with higher growth rate. Internationally too, this is gaining importance with many developing and developed countries embracing this as their national agenda. Your company is fully prepared to exploit any such opportunities.

C) International Operations: The current size of international operations will enable the enterprise to have a high growth rate once the business environment returns to normalcy. Also, the common knowledge sharing platform will enable your company to scout for newer geographies without compromising on the delivery quality which will eventually fuel the growth.

Human Capital

Your company believes that the value of any enterprise is only as good as its Human Capital. It is very important to have your human capital updated with the latest technologies. During the year, as the company faced challenging business atmosphere and fewer growth opportunities, the period, the management thought was apt to have its human capital undergo technology advancement training, process improvement training and general management training. Management is aware that these initiatives do not yield results immediately however these activities will surely help the company stay ahead of the curve.

Directors

The affairs of your Company are being looked after by a professional Board of Directors. The Board of Directors of your Company consists of intellects from diversified industries and expertise with high experience who significantly contribute toward taking appropriate decisions.

Corporate Governance

Your Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency and accountability in all facets of its operations and in its interaction with all including Clients, Employees, Promoters, Stakeholders and Government.

Your Company has been practicing the principles of good corporate governance over the years with the aim of enhancing long-term shareholder value and protecting the interests of other stakeholders in line with international best practices. In fact our compliance practices transcend the principles laid down by Statute and the Regulatory Authorities.

Acknowledgement

Your Company is privileged to have a Board of Directors comprising men of eminence with vast experience and wisdom. I would like to place on record my sincere thanks to all the members of the Board for their wise counsel and assistance.

My thanks are also due to the shareholders of the Company, our valuable customers, well wishers, executives, officers and employees in the Company for their continued support and valuable patronage extended to the Company.

I am also grateful to the Governmental and other institutional agencies including RBI, SEBI, Stock Exchanges, Company's Bankers, Auditors etc for their valuable support. The last but not the least I profusely thank for the co-operation extended by our Registrars and Share Transfer Agents for their support and services.