

5. PROSPECTS

The Company has identified Exports, UPS, After Market, Networking and (Print & Save) services as thrust areas for future growth. Your Company is focussing growth through these business segments in the next three years. A representative chart, of the total sales planned for each is presented below:

| Segments | Actual 2002-2003 | Plan for | | |
|--------------------------|------------------|-----------|-----------|-----------|
| | | 2003-2004 | 2004-2005 | 2005-2006 |
| New Business | 14.9% | 15% | 23% | 26% |
| After Market | 10.6% | 15% | 26% | 30% |
| Exports | 7.4% | 15% | 16% | 17% |
| WeP Smart (Print & Save) | 0.7% | 4% | 7% | 8% |
| Total | 33.6% | 49% | 72% | 81% |

6. DIRECTORS

Arun K Thiagarajan has rejoined your Board from January 2003. His inclusion adds to the professionalism of your Board. Pursuant to the requirement of the Companies Act, 1956, he was elected as Additional Director on your board and that appointment ceases by this Annual General Meeting. Hence, your Board solicits your approval for his appointment as a member on your Board under Section 257 of the Companies Act, 1956 in the interest of the Company.

Suresh C Senapaty and Suresh Vaswani Directors on the Board retire by rotation at this Annual General Meeting and offer themselves for re-election. Your Board of Directors recommends their re-appointment as members of the Board.

7. AUDITORS

The Auditors M/s N.M.Raiji & Co., Chartered Accountants, Mumbai retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors and fix their remuneration.

8. FIXED DEPOSITS

The Company has not accepted any deposit during the period within the meaning of Section 58A of the Companies Act, 1956 and Rules made thereunder.

9. HUMAN RESOURCES

Your Company is the largest employee owned Company in India. The stated objective of the Company is to ensure that the productivity per employee is among the highest in the Industry.

The compensation package for employee is structured to include significant portion of the pay linked to the achievement of Company's Revenue and Profits on a monthly and quarterly basis.

Employees across various levels have been covered under Employee's Stock Option Schemes (ESOP). Based on the criteria established by the Compensation Committee of the Board of Directors; 199 employees as on date are covered as successful awardees against the total strength of 297 employees of the Company.

10. DISCLOSURES PART OF DIRECTORS' REPORT

a. Particulars of Employees

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the annexure included in this report.

b. Directors' Responsibility Statement

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, as amended, the Directors' responsibility statement is enclosed in the annexure as forming part of this report.

c. Conservation of energy, technology absorption and foreign exchange earnings and outgo

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure in the Report of Board of Directors) Rules 1988 is furnished in the Annexure, forming part of this report.

11. RESEARCH AND DEVELOPMENT

The Company has full-fledged Research and Development teams at Mysore and Hyderabad dedicated in developments for future needs, customisation and deployments of products and in providing enhanced features in existing products. A detailed note on technology absorption and Research and Development activities is furnished in the Annexure forming part of this report.

12. QUALITY

The Company is driven by "Six Sigma" methodology and seeks to make that approach as a way of our life.