

DIRECTOR'S REPORT**To The Shareholders**

Your Directors have pleasure in presenting the First Annual Report along with the audited accounts of the company For the year ended 31st March, 2000.

FINANCIAL RESULTS

Rupees

1999-2000

Turnover	4,35,000
Depreciation	3,223
Operating & Admin Exp	1,97,911
Preliminary exp.	7,668
Net Profit	95,035

PERFORMANCE REVIEW

The Company was incorporated on 28th January, 1999 with the main objects of Software Development. During the 1st year of its operations the company could generate a revenue of Rs.435000 and a net profit of Rs.95,035. This being the 1st year of its operations your company was concentrating more on recruitment of skilled qualified Human Resources and setting up of infrastructure required for the smooth functioning of the Company.

FUTURE PROSPECTS

Your Company is planning to go for Public Issue of Shares to a tune of Rs.2.67 Crores to

part finance the acquisition of software company in US. We hope this acquisition will help your company to have strategic and locational advantage. Your Company has also signed an MOU with Unisys of United States for Software Development. Lanco group has established a strong presence in the US and UK markets by acquiring a number of I T Companies. The Setting up of your Company in India will allow our presence in these markets to grow rapidly due to assured availability of trained man power in India and cost effective services from our offshore center. In Addition, The business model of working with alliance partners on long term basis will have rapid growth, due to assured business from such relationships. Information Technology Industry the world over is growing and your Directors are optimistic about your Company's growth in Future.

FIXED DEPOSITS

The company has not accepted any deposit so far. There was no deposit which was claimed and remained unpaid by the Company as on 31st March, 2000.

DIRECTORS

Mr.L.Madhusudhan Rao, Director of the company will retire by rotation at the ensuing Annual General Meeting and he being eligible, offers himself for reappointment. During the year Mr.L.Rajagopal, Mr.P.V.Subrahmanyam, Mr.V.K,Srinivasan, Mr.Alyque Padamsee, Mr.CH. Suresh, Mr.M.N.Nambiar and

Dr.V.D.M.Ravella Prasad were appointed as Additional Directors of the Company. Their term of office will come to an end at the ensuing Annual General Meeting. The above Directors are eligible to be appointed as Directors and notices from members under Section 257 of the Companies Act 1956 were received by the Company for their appointment.

AUDITORS

M/s Mogli Sridhar & Co, Chartered Accountants, Hyderabad will retire at the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the Office, if re-appointed.

OTHER PARTICULARS

Particulars of the employees required to be reported under Section 217 (2A) of the Companies Act, 1956.

Name	Designation	Age	Qualification	Date Of Joining	Last employment	Remuneration
P.V.Subrahmanyam	CEO-Director	44	M.tech (CS)	3rd Feb, 2000	Satyam Computers	1,16,250

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings: US\$10,000

Particulars as required to be reported under Section 217(1)(e) of the Companies Act, 1956 regarding conservation of energy etc., are not applicable to the Company.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and gratitude for the timely support and assistance rendered by the Global Trust Bank Ltd., and Bank of Baroda Ltd. Your Directors also wish to place on record their appreciation for the valuable services rendered by the executives, Officers and Staff.

For and on behalf of the Board

Place : Hyderabad

Date : 03.07.2000

P.V. SUBRAHMANYAM

CEO & Director

Ch. SURESH

Director