

Letter to the Shareholder



From the CEO's Desk

Dear Shareholder,

Greetings!

I have great pleasure in presenting the achievements of your company for the financial year 2005-06. At the outset, I would like to place on record my gratitude for the overwhelming support offered for our Rights offering, in spite of the turmoil in the stock market. The Rights issue successfully concluded on May 25, 2006 and was fully subscribed.

The year under review witnessed your company reaching many significant milestones. Our focused efforts to strengthen capabilities have begun to pay-off. This fiscal year the revenue earnings of your company have surpassed the previous year by 136%. Your company, on a consolidated basis with subsidiaries achieved a total revenue of Rs. 11543.95 lakhs with net profit of Rs. 470.45 lakhs. Our group employee strength grew to 737 as at March 31, 2006.

During the year two new strategic partnerships were established with Phoenix and Adobe, a few key orders were won and additional business was generated from existing customers by delivering more value to them. Your company further expanded its global footprints with new order wins in West Asia.

The year saw your company's subsidiaries (American Healthnet Inc. and Informed Decisions Corporation) adding new modules to their existing product suite. These developments are expected to usher in new and better opportunities. However, American Healthnet Inc. is yet to fully recover from its backlog of pending work and commitments. With more delivery capability, structured plan and intensified attention, we do hope to overcome these challenges in the months to come.

Your company's delivery centers at Chennai received a new facelift. The new office in Chennai has enhanced its capacity, both in size as well as in quality. Plans are afoot to further upgrade the facilities of our offshore operations at Chennai and Bangalore.

Continuing with our growth vision, we plan to broaden the scope of our offerings to our customers by providing auxiliary/additional service offerings. Some spadework is underway to explore, examine and qualify our space of operation.

In an industry where critical assets are knowledge and skills, sustaining profitable growth requires continuous business assurance efforts. To further consolidate the gains of CMMi efforts, we have commenced new initiatives to enhance work force quality through tailor - made learning programs.

We do believe that an integrated approach to enhancing competencies and capabilities would deliver lasting value. I seek your continued patronage and support in this journey.

A handwritten signature in black ink, appearing to be 'S. Santhosh'.

S. (Sam) Santhosh
Managing Director