SMR UNIVERSAL SOFTECH LIMITED

ANNUAL REPORT

2002 - 2003

SMR UNIVERSAL SOFTECH LIMITED



Annual Report

2002-2003

BOARD OF DIRECTORS

Dr. R Palaniappan	Chairman
Mr. K N Kumaresan	Managing Director
Ms. Karen Ong	Director
Mr. S Moorthy	Director
Mr. A.X.N..Prabhu	Director
Mr. Mubeenur Rehman	Director

COMPANY SECRETARY MR. BALASUBRAMANI

AUDITORS

Mr.C.N.Srinivasan
Chartered Accountant
7A, Kalinga Colony,
P.T. Rajan Salai
K.K.Nagar, Chennai .

BANKERS

Corporation Bank Kellys Branch- Chennai – 10
ICICI Bank Purasawalkam Branch – Chennai – 7
Andhra Bank Sowcarpet Branch – Chennai – 79

REGISTERED OFFICE

5, Damodharan Street,
Kellys Chennai-600 010

BRANCH OFFICE

542 Bharathi Street
Pondicherry -605 001

SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited,
"Subramaniam Building", V Floor,
1, Club House Road,Chennai-600 002.
Phone (044) 28460390 (5 lines)
Fax: (044) 28460129

NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the members of SMR Universal Softech Limited will be held on Thursday, the 25th September, 2003 at 9.00 A.M at Arunthathi Mahal, No 70, Patel Road, Chennai-11 to transact following business:

ORDINARY BUSINESS:

01. To receive, consider and adopt the audited Balance Sheet as at 31st March 2003 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

02. To appoint a Director in place of Ms.Karen Ong who retires by rotation and being eligible offers herself for re-appointment.

03. To appoint a Director in place of Shri A.X.N.Prabhu who retires by rotation and being eligible offers himself for re-appointment.

04. To appoint Auditors and fix their remuneration.

By order of the Board,
For SMR Universal Softech Limited

Place: Chennai
Date: 30th June 2003

(K . N. Kumaresan)
Managing Director

Notes:-

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**

2. **The proxy form in order to be effective must be deposited at the Registered office of the company not less than 48 hours before commencement of the meeting**

3. **The Register of Members and the Transfer of book in respect of the Equity shares will remain closed from 24th September 2003 to 25th September 2003 both days inclusive.**

4. **The Members' are requested to intimate to the Registrar and Transfer Agents, Cameo Corporate Services Limited #1, Subramaniam Building, Club House Road, Mount Road, Chennai-2, change of address, if any, at the earliest quoting their registered folio.**

5. **The shares of the company are in the compulsory dematerialization list specified by SEBI and are traded in the demat mode and the share holders are requested to get their holding dematarialised as early as possible, in their own interest.**

6. **Members who want any additional details in respect of accounts may send their queries at least 7 days before Annual General Meeting for our reply.**

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Third Annual Report of the company with audited accounts for the year ended 31st March 2003.

	Rupees in Lakhs	
1.Financial Results:	**Year ended 31.03.2003**	**Year ended 31.03.2002**
Income from Operations	465.68	1107.05
Profit before Depreciation	250.20	362.05
Less: Depreciation	246.49	117.71
Profit before Tax	3.71	244.34
Provisions for Tax-Current & Deferred	1.66	79.66
Profit After Tax	2.05	164.68
Balance carried forward to Balance Sheet	**148.93**	**168.63**

2.Dividend:

In view of the marginal profit your directors do not recommend any dividend for the year under review.

3.DIRECTORS

Mr A.X.N.Prabhu and Ms.Karen Ong Directors of the company are retiring by rotation at the Annual General Meeting and being eligible they offer themselves for re-appointment

3.DEPOSITS:

The Company has not accepted any deposit from the public.

4.DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The Directors had prepared the annual accounts on a going concern basis.

5. LISTING:

The Company's shares are listed in Chennai and Mumbai Stock Exchanges. Further the Shares are traded in demat made also.

6. AUDITOR AND AUDITOR'S REPORT:

Mr.C.N.Srinivasan, Chartered Accountant Statutory Auditor holds his office at the conclusion of the Annual General Meeting and is eligible for re-appointment

7. CORPORATE GOVERNANCE:

Your company has always striven to incorporate appropriate standards for good corporate governance. It has taken adequate steps to ensure that all mandatory provisions of corporate governance as prescribed under the amended listing agreements of the stock exchanges, with which the company is listed, are complied with. A separate report on corporate governance is produced as a part of the Directors report.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO:

The Company has no activity relating to Conservation of energy or technology absorption.

During the Financial year 2002-2003 the company had exported software to the tune of US $ 19159 equivalent to Rs. 900000/- for which the company has received Rs.386500/- is yet to receive Rs.513500/-

The Company has spent US $ 600 on travel by the Directors in order to give demonstrations to various international prospective clients.

9. STATEMENT UNDER SECTION 217(2A) ON PERSONNEL:

Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 are not applicable since none of the employees are in receipt of remuneration in excess of the limits specified herein during the period under review.

10. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their deep appreciation of the dedication and commitment of employees to the growth of your Company during the year. Your Directors also express their sincere gratitude to the Banks, Consultants, Auditors and shareholders for their continued patronage and Co-operation.

For and on behalf of the Board ,
For SMR Universal Softech Limited

Place : Chennai
Date : 30th June 2003

(K.N.KUMARESAN)
Managing Director

ANNEXURE TO DIRECTORS' REPORT

STATEMENTS AND REPORTS ON CORPORATE GOVERNANCE:

A . MANDATORY REPORTS ON CORPORATE GEVERNANCE :-

Company's Philosophy On Corporate Governance:

The company's Philosophy of corporate governance is aimed at exhibiting maximum transparency to the investors by providing them with more information. This is done not only with the information that are to be revealed under mandatory provisions but also with those information which according to the Management and the Board are relevant to the Investors and other Statutory Authorities to whom these Reports are addressed to.

Board of Directors:

The Board of Directors is comprised of 1 Executive Director 1 Non Executive & Non-Independent Director and 4 Non-Executive Independent Directors.

Dr. Palaniappan – Chairman – (Non Executive - Non-independent Director)

He is a world renowned scholar in Human Resources Management Studies. He has done his P.hd in HRD at California Coast University,USA. He is a fellow member of the Institute of the Training & Development, UK and a Member of Association of Psychological Type USA. He is a co-producer of internationally renowned software HRDPOWER and developer of the web based "Train the Trainer on Line University". His books and Videos are available in digital format. Essentially he is a world famous consultant in HRD profession. He is the driving force in converting the goals and directions of the Board into realities.

He is not holding Directorship in any other Company in India

He is not a Chairman / Member of any of the Committees.

Mr. K N Kumaresan – Managing Director – (Executive & Non Independent)

He is a graduate from University of Madras. He is a businessman. He is a veteran in liaising with various marketing agencies as well as government authorities. His rich experience is source of knowledge for the Board. The Board is greatly benefited by him.

He is not holding Directorship in any other Company.

He is a not a Chairman / Member of any of the Committees.

Ms. Karen Ong – Director – (Non-Executive & Independent)

She is Learner oriented and Participative trainer. She is a certified instructor for the Zenger- Miller Front line Leadership Programme and has trained hundred of executives. She had also designed,

developed and delivered training workshops in Business Telephone Etiquette, Secretarial, Clerical and image enhancement over the last 5 years. Her services and ideas with acumen are of great help to the company as well as the Board.

She is not a Chair person / member of any of the committees

Mr. S Moorthy – Director – (Non Executive & Independent)

He is Graduate in science and he is having all round exposure in the nuances of Management.

He is not holding Directorship in any other Company.

He is a Member/Chairman of the following committees.

a. Remuneration Committee. - Chairman

b. Audit Committee - Member

c. Investors/Shareholders Grievance Committee - Member

Mr. A.X.N.Prabhu -Director- (Non-Executive & Independent)

He is a graduate in the discipline of Corporate Secretaryship, from University of Madras. Further he is a Graduate in Law . He has also done Master Degree program in Business Administration with a Specialization in Finance and Computer Applications.. Further he is a Fellow member of the Institute of Company Secretaries of India. He has got about two decades of rich experience in Accounts, Secretarial and Corporate Law related matters His caliber and rich experience in finance and knowledge compliance to Accounting Standards are of great help to the company as well as the Board. He is one of the precious treasures of the company.

He is holding Directorship in the following Companies.

a. M/s Integrated Hi-tech India Limited

b. M/s. Suntrack Diamonds Limited.

c. M/s. Mardia Sons holdings limited.

He is a member / Chairman of the following:

a. Investors/Shareholders Grievance Committee - Chairman

b. Audit Committee - Member

c. Remuneration Committee - Member

Mr. Mubeenur Rehman - Director- (Non-Executive & Independent)

He is a business man. He is a veteran in liasoning with various marketing agencies as well as government authorities. His rich experience is source of knowledge for the Board. The Board is greatly benefited by him. He is a Member/Chairman of the following committees.

He is not holding Directorship in any other Company.

He is a Member/Chairman of the following committees.

a. Audit Committee - Chairman

b. Investors/Shareholders Grievance Committee - Member

c. Remuneration Committee. - Member

Board Meetings :-

Number of Board meetings held and the dates on which it was held: Seventeen meetings were held. Dates: 14th June 2002,15th June 2002 18th June 2002, 19th June 2002, 1st July 2002, 3rd July 2002, 4th July 2002 11th July 2002, 25th July 2002, 31st July 2002, 2nd September 2002, 30th October 2002, 31st January 2003, 5th February 2003, 10th February 2003,27th February 2003 and 20th March 2003.

Attendance of each Director at the Board meeting and last AGM

Name of the director	Particulars	No of Board meetings attended	Attendance at the last AGM
Mr.K.N.Kumaresan	Mg.Director	17	Yes
Mr S. Moorthy	Director	17	Yes
Dr. Palaniappan	Chairman	0	Yes
Ms.Karen Ong	Director	0	No
Mr.A.X.N.Prabhu	Director	11	Yes
Mr. Mubeenur Rehman	Director	11	Yes

None of the Directors is a member in more than 10 committees or acting as Chairman of more than five committees.

REMUNERATION TO DIRECTORS

The details of remuneration paid to Directors for the year ended March 31, 2003 is as follows:

Name of the director	Sitting Fees (Rs)	Salaries and perquisites (Rs)	Commission (Rs)	Total Rs.
Mr.K.N.Kumaresan (Managing Director)	Nil	72000	Nil	72,000
Mr S . Moorthy	8000	Nil	Nil	8,000
Dr.Plalaniappan	Nil	Nil	Nil	Nil
Ms. Karen Ong	Nil	Nil	Nil	Nil
Mr.A.X.N.Prabhu	5500	Nil	Nil	5,500
Mr.Mubeenur Rehman	5500	Nil	Nil	5,500

The agreement with the Managing Director is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving one month notice to other party.

The Company does not have a scheme for grant of stock options to the Directors.

Audit Committee:

There exist a qualified and independent audit committee comprised of M/s.A XN Prabhu, Moorthy and Mubeenur Rehman all non-executive Directors. Mr Mubineer Rahman is the Chairman of this Committee. The Audit Committee meetings were held six times during the year under review.

The committee oversees, inter alia, the financial reporting system, disclosure requirements and matters relating to appointment and remuneration of statutory auditors. The committee also reviews periodically the financial accounts, adherence to Accounting Standards, internal control systems, financial and risk management policies of the company;

Shareholders Grievance Committee:

There exist a qualified and independent Shareholders Grievance Committee comprised of M/s.A.X.N Prabhu, Moorthy, and Mubeenur Rehman all non-executive Directors. Mr.A X N Prabhu is the Chairman of this Committee. The committee met 12 times in the year under review.

The Share transfer cum investor Grievance committee apart from looking into redressal of investors grievances the committee deals with various matters relating to the transfer and transmission of shares, issue of duplicate share certificates, approval of split and consolidation requests, other matters relating to transfer and registration of shares including dematerialization. The Board as per the listing agreement has appointed Mr. Balasubramani as compliance officer of the company. some complaints were received from investors during the year which were replied satisfactorily.

Remuneration Committee: -

There exists a qualified and independent Remuneration Committee comprised of M/s. A X.N Prabhu, Mr.S.Moorthy and Mr.Mubeenur Rehman all non-executive Directors. Mr.S Moorthy is the Chairman of this Committee.

The committee oversees the fixation and justification of remuneration to various top executives including executive directors. The committee also ensures adherence to legal provisions in regard to remunerations.

General Body Meetings in last three financial years:

AGM/EGM	Date	Venue	Time	No of special resolution passed
EGM	07.06.2000	#No 37, 5th Cross St, VGP Golden Beach Layout Palavakkam, Chenna-41.	10.00.AM	1
Statutory Meeting	30.09.2000	#No 37, 5th Cross St, VGP Golden Beach Layout Palavakkam, Chenna-41.	10.00 AM	Nil
EGM	07.06.2001	#05, Damodran Street, Kellys, Chennai – 10	10.00A.M	1
AGM	12.09.2001	#05, Damodran Street, Kellys, Chennai – 10	10.00A.M	Nil
AGM	27.09.2002	Arunthathi Hall 70, Patel Road Perambur, Chennai – 600 011	9.00 A.M	1

Disclosures:

There are no materially significant transactions made by the company with its promoters, the Directors of the management, their subsidiaries or relatives etc. Which require separate disclosure.

No penalties/strictures have been imposed on the company by any regulatory authority for non-compliance of any law.

Means of Communication:

The Company has published quarterly results and Audited Results in Trinity Mirror (English) and Makkal Kural (Vernacular). The results are also submitted to Stock Exchanges where the company is listed.

General Shareholder Information:

The Third Annual General Meeting of the company is scheduled to be held on Thursday 25th September, 2003 at 9.00 am at Arunthathi Hall,70,Patel Road, Perambur,Chennai - 10

The company's financial calendar is for a period of 12 months starting from April 1 to March 31 of the succeeding year. The period covered under this annual report is from April 1, 2002 to March 31,2003

Date of Book closure: 24th September 2003 – 25th September 2003 (both days inclusive)
The shares are listed and traded on the following stock exchanges

The Madras Stock Exchange Limited

Mumbai Stock Exchange Limited

Listing fees for the period 2003-2004 has been paid to the stock exchanges.

Stock code:

Demat ISIN NO:IN9799C01015

Stock Market Data:

The high and low prices of shares during the year: (Bombay Stock Exchange)

High Price : 13 May 2002 Rs.135.00
Low Price : 25 March 2003 Rs.1.70

MONTH	HIGH	LOW
April 2002	Rs121.35	Rs.120.00
May 2002	Rs.135.00	Rs. 24.35
June 2002	Rs.26.35	Rs.9.05
July 2002	Rs.9.95	Rs.3.65
August 2002	Rs.4.45	Rs.3.55
September 2002	Rs.4.00	Rs.2.25
October 2002	Rs.3.95	Rs.2.55
November 2002	Rs.3.75	Rs.2.55
December 2002	Rs.5.00	Rs.3.15
January 2003	Rs.4.35	Rs.2.40
February, 2003	Rs.2.95	Rs.2.10
March, 2003	Rs.2.60	Rs.1.70

Registrars & Share Transfer Agents: Cameo Corporate Services Limited,
#1, Subramanaiam Building,
Club House Road, Mount Road,
Chennai-600 002.
Phone : 28460390

Share Transfer System :-

Presently, the share transfers in physical form are processed by the Registrars and share transfer agent and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being clear in all respects. The Company has, as per SEBI guidelines offers the facility of transfer cum demat.

Distribution of shareholdings as on 31st March 2003

Category	No of shares held	Percentage of shareholding
Indian Promoters	5500000	55.00
Institutional Investors	—	—
Mutual Funds and UTI Banks, Financial Institutions, Insurance companies (Central/ State Govt. Institutions / Non-Govt. Institution)	— —	— —
Foreign Institutional Investors	—	—
Private Corporate bodies	3134069	31.34
Indian Public	1364431	13.64
NRIs / OBC's	1500	0.02
Grand Total	10000000	100.00

Distribution Schedule As On 31.3.2003

No of equity shares held	No of shareholders	%	No of shares in Rs.	%
Upto 5000	935	52.47	2646890	2.65
5001-10000	366	20.54	3282610	3.28
10001-20000	223	12.51	3679630	3.68
20001-30000	75	4.21	2018270	2.02
30001-40000	33	1.85	1186430	1.19
40001-50000	39	2.19	1864060	1.86
50001-100000	50	2.81	3850900	3.85
100001-and above	61	3.42	81471210	81.47
	1782	**100**	**10,00,00,000**	**100**

No of shares in physical mode: 5182100
No of shares in dematerialized mode: 4817900
Out standing GD Rs/AD Rs/Warrants—Nil.

Address For Correspondence:
#05, Damodran Street, Kellys, Chennai-10
Phone: 26604550/ 26449903

For And on behalf of board

(K.N.Kumaresan)
Managing Director

(S. Moorthy)
Director

Management Discussion & Analysis Report

INDUSTRY SCENARIO:

SWOT ANALYSIS ON SMR UNIVERSAL SOFTECH LTD

a) Strength :

Your Company's project is headed by Dr.Palaniappan, one of the world renowned HRD consultant His acumen and thorough knowledge is the guiding force. The company has got excellent intellects in its rolls. It has a well equipped lab. The company has two offices at Chennai and Pondicherry to have excellent locational advantage.

b) Weakness :

Being a specialist product of high decibel intellect the Dr.Palaniappan's presence and demonstrations are required by every prospective clients. Even a small portion of the enquiries to be converted into orders, requires quite a huge amount of money for travels and demonstrations and also precious time to be spend outside the Company.

c) Opportunities :-

The entire concept of Globalization is based on the approach that the specialist skills of the people of a particular nation over that of other nations should be the focal point in building the nation's as well as the world's economy. Thus all the professionally managed companies as well as developed and developing nations are searching for a tool to identify the strengths and weaknesses of their man power. This qualitative exercise could not be easily catered by ordinary software packages which are mostly dealing with quantitative analysis. Something need to be done on this field was the wish and want for corporate world because in developed countries manpower is a scarce as well as expensive commodity in terms of production of anything including services This great lacuna is thoroughly understood by your company.

d)Risks and Concerns :-

The product developed by your company could be absorbed by only developed corporate giants as well as developed and developing countries. Thus the area of its operation is shrunk and well defined. Yet your company is assured of success due to the Chairman's global popularity and expertise in the filed of HRD.

REVIEW OF OPERATIONS: -

a) Industry Structure And Development:

Professionally managed companies as well as developed and developing nations are searching for a tool to identity the strengths and weaknesses of their man power. This qualitative exercise could not be easily catered by ordinary software packages which are mostly dealing with quantitative analysis. Something need to be done on this field was the wish and want for corporate world because in developed countries manpower is a scarce as well as expensive commodity in terms of production of anything including services This great lacuna is thoroughly understood by your company. By the

acumen and astute leadership of Dr Palaniappan one of the world renowned experts in the fields of HRD, an experts panel had made extensive Research and has developed software package for the qualitative analysis of Human Resources Development and Training. This sophisticated package is well received by the developed as well as developing nations. Also renowned corporate conglomerates too are extending patronages.

b) Business Performance & Segment Reporting :

Your Company has shown considerable performance even at the very initial stages of being in the business. Since your company is fully converging all its resources and capabilities towards promotion of this most needed specialist software, the need to Segment wise Reporting could not arise for your company at this stage.

c) Out Look

Your Board of Directors have taken stock of the situation prevailing both at macro level and micro level markets. They have formulated a strategy to skive off a Specialist Market with world class clients. The global needs should be exploited positively and catered by the present technical skills and marketing advantage of your company. Even a small portion of enquiries the Company has got if converted into orders would fetch spectacular results, and augment the revenues.

d)Threats and Concerns :-

The product developed by your company could be absorbed by only developed corporate giants as well as developed and developing countries. Thus the area of its operation is shrunk and well defined. Yet your company is assured of success due to the Chairman's global popularity and expertise in the field of HRD.

e) Internal control systems and their adequacy:

Manpower is carefully taken in by making systematic study of their skill and exposure in regard to the projects the company is handling. Greater care is shown on the effective utilization of these skills by coordinating all the individual efforts towards the corporate goal incurring minimal cost.

f) Human Resources and Industrial relations:

Your Directors wish to place on record their deep appreciation of the dedication and commitment of employees to the growth of your Company during the year. Your Directors also express their sincere gratitude to the Banks, Consultants, Auditors and shareholders for their continued patronage and Co-operation

For and on behalf of the Board ,
For SMR Universal Softech Limited

Place : Chennai
Date : 30th June 2003

(K.N.KUMARESAN)
Managing Director

Auditor certificate on compliance of conditions of corporate governance under clause 49 of the listing agreement:

I have reviewed the report on the compliance of the mandatory conditions of corporate governance set out by SMR UNIVERSAL SOFTECH LTD for the year ended 31st March 2003 with relevant records and documents maintained by the company and furnished to me for my review.

In my opinion and to the best of my information and according to the explanations given to me, the company has complied with the mandatory requirements specified in the said clause in the manner so required.

C. N. Srinivasan
Chartered Accountant

Place: Chennai
Date: 30th June 2003

AUDITOR'S REPORT TO THE MEMBERS

I have audited the attached Balance Sheet of SMR UNIVERSAL SOFTECH LIMITED as at March 31, 2003 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date:-

1) These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

2) I conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

3) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of sub-section (4A) of section 227 of the Companies Act, 1956, I annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4) Further to my comments in the Annexure referred to above, I report that:

a) I have obtained all the information and explanations, which to the best of my knowledge and belief are necessary for the purposes of my audit;

b) In my opinion, proper books of account as required by law have been kept by the company so far as it appears from my examination of those books;

c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

d) In my opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e) On the basis of written representations received from the directors, as on March 31, 2003, and taken on record by the Board of Directors, I report that none of the directors is disqualified as on March 31, 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

f) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003; and

(ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

(iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

Place: Chennai

Date : 30th June 2003

C.N.Srinivasan
Chartered Accountant

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 3 of my report of even date on the accounts for the year ended March 31, 2003 of **SMR UNIVERSAL SOFTECH LIMITED.**

1) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. As per the information and explanations furnished to me, the fixed assets have been physically verified by the management during the period at reasonable intervals and no material discrepancies are noticed on such verification.

2) None of the fixed assets have been revalued during the year.

3) Items A (iii) to (vi), (xii), (xiv), of para 4 of the Manufacturing and Other Companies (Auditor report) Order, 1988 issued by the Central Government under section 227(4A) of the Companies Act, 1956 are not applicable to the company.

4) The company has not taken any loans, secured and/or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 (1 of 1956), and / or from the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.

5) The company has not granted any loans, secured and/or unsecured, to companies, firms or other parties listed in the register(s) maintained under section 301 and / or to the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956 (1 of 1956).

6) The parties to whom the loans or advances in the nature of loans, have been given by the company are repaying the principal amounts as stipulated and are also regular in payment of interest.

7) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of the business.

8) In my opinion and according to the information and explanations given to me, there are no transactions of purchase of goods and materials and sale of goods, material and services exceeding Rs. 50,000/- from / to companies, firms or other parities, which have been listed in the register, maintained under section 301of the Companies Act, 1956.

9) The company has not accepted any deposits during the year from the public to which provisions of Section 58-A of the Companies Act, 1956 apply.

10) In my opinion, the company has an Internal Audit System Commensurate with its size and the nature of its business.

11) The company has not been required by the Central Government to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.

12) As informed by the company, the rules of provident fund and employee's state insurance are not applicable to the company.

13) According to the information and explanations given to me, there are no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Sales-Tax, Customs duty and Excise duty were outstanding, as at the last day of the financial year concerned, for a period of more than six months from the date they became payable.

14) According to the information and explanation given to me, no personal expenses have been charged to revenue account.

15) The company is not a sick company within the meaning of Clause (0) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

Place: Chennai
Date :30.06.2003

C.N.Srinivasan
Chartered Accountant

BALANCE SHEET AS AT 31ST MARCH 2003

Particulars	Sch	As at 31.03.2003 Rs. P.	As at 31-03-2002 Rs. P.
I: SOURCES OF FUNDS			
1) SHARE HOLDER'S FUNDS			
a) Share Capital	A	96,054,250.00	66,253,000.00
b) Reserves & Surplus	B	69,892,609.35	71,862,531.81
2) DEFERRED TAX LIABILITY		7,109,019.00	6,972,804.00
TOTAL		**173,055,878.35**	**145,088,335.81**
II: APPLICATION OF FUNDS			
1) FIXED ASSETS(Net Block)	C	44706069.70	47,550,640.64
2) INVESTMENTS	D	42,320,000.00	36,500,000.00
3) CURRENT ASSETS, LOANS AND ADVANCES			
a) Sundry Debtors	E	88,806,924.74	82,924,204.10
b) Cash and Bank Balances	F	529,291.40	198,476.07
c) Loans & Advances	G	20,453,662.22	23,608,894.00
		109,789,878.36	106,731,574.17
Less: CURRENT LIABILITIES & PROVISIONS	H	28,527,436.71	51,124,839.55
NET CURRENT ASSETS		81,262,441.65	55,606,734.62
4)(a) MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	I	4,767,367.00	5,830,960.55
TOTAL		**173,055,878.35**	**145,488,335.81**
Notes on Accounts	N		

Schedule A to J and N form part of the Balance Sheet
As Per my Report Of Even Date

For And on behalf of board

C.N.Srinivasan	**(K.N.Kumaresan)**	**(S. Moorthy)**	**(BALASUBRAMANI)**
Chartered Accountant	Managing Director	Director	Company Secretary

Place:Chennai
Date : 30.06.2003

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

Particulars	Sch	As at 31.03.2003 Rs. P.	As at 31-03-2002 Rs. P.
INCOME			
Sales		45,500,000.00	109,795,183.00
Consultancy and Training Income		1,019,517.05	722,085.00
Other Income		48319.48	187,556.00
TOTAL		**46,567,836.53**	**110,704,824.00**
EXPENDITURE			
Cost of Software & Operation Expenses	J	16,986,426.00	69,580,392.09
Adminstrative Expenses	K	1,494,606.87	1,498,720.10
Employees Remuneration and Benefits	L	1,943,108.25	1,670,890.90
Financial Charges	M	60,377.87	686,340.50
Depreciation	C	24,649,071.00	11,770,672.00
Preliminary Expenses written off	I	1,063,593.00	1,063,593.00
TOTAL		**46,197,182.99**	**86,270,608.59**
Profit /Loss For the Year		370,653.54	24,434,215.41
Less: Provision For Taxation-Current		30,000.00	1,650,000.00
-Deferred		136,215.00	6,316,294.00
Profit After Tax		204,438.54	16,467,921.41
Add:Profit/Loss Brought Forward		16,862,531.81	1,051,120.40
total		17,066,970.35	17,519,041.81
Dividend		2,174,361.00	0.00
Less :Deferred Tax Liability of previous year		0.00	656,510.00
Balance carried forward to Balance sheet		14,892,609.35	16,862,531.81
Short Provision for Income tax			
Earning per Share		0.02	3.42
Notes on Accounts	N		

Schedule J to I and N form part
of the Profit and Loss Account
As Per my Report Of Even Date

For And on behalf of board

C.N.Srinivasan	(K.N.Kumaresan)	(S. Moorthy)	(BALASUBRAMANI)
Chartered Accountant	Managing Director	Director	Company Secretary

Place:Chennai
Date : 30.06.2003

Schedules A to P forming part of the Annual Accounts for the year ended 31-3-2003

Particulars		As at 31-03-2003 Rs. P.	As at 31-03-2002 Rs. P.
SCHEDULE - A: SHARE CAPITAL			
Authorised Capital			
1,10,00,000(1,10,00,000) Equity Shares of Rs.10/- each		110,000,000.00	110,000,000.00
Issued ,Subscribed & paid Up Capital			
10000000 Equity shares of Rs.10/- each		100,000,000.00	100,000,000.00
Less:Call In Arrears		3,945,750.00	33,747,000.00
TOTAL		**96,054,250.00**	**66,253,000.00**
SCHEDULE - B: RESERVES & SURPLUS			
Share Premium		55,000,000.00	55,000,000.00
Profit & Loss Account		14,892,609.35	16,862,531.81
		69,892,609.35	**71,862,531.81**
SCHEDULE - D: INVESTMENTS			
Specialist Management Resoures S.D.N, B.H.D (974992 Shares)		36,500,000.00	36,500,000.00
Trade Quotes			
Mega channel Ltd shares of Rs.10 each	820000		
(**Not Traded During the Finacial year 2002-2003:			
(**Last Traded Price : 21.60)			
Others (Unquoted0			
lamp Ltd 200000 shares of Rs.10 each	5000000	5,820,000.00	
		42,320,000.00	**36,500,000.00**

For And on behalf of board

C.N.Srinivasan	**(K.N.Kumaresan)**	**(S. Moorthy)**	**(BALASUBRAMANI)**
Chartered Accountant	Managing Director	Director	Company Secretary

SCHEDULE - C : FIXED ASSETS
31.03.2003

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	**Rate**	**As at 01.04.2002**	**Addition**	**Deletions**	**As at 31.03.2003**	**Upto 31.03.2002**	**For the year**	**Deletions**	**Upto 31.03.2003**	**As on 31.03.2002**	**As on 31.03.2003**
Building Renovation & Interiors	5%	1,269,487.00	0.00	0.00	1,269,487.00	63,474.00	60,301.00	0.00	123,775.00	1,206,012.94	1,145,712.00
Computers & Perhipherals, & Software	40.00%	58,704,585.00	15,400,000.00	0.00	74,104,585.00	12,809,894.00	24,517,876.00	0.00	37,327,770.00	45,894,691.00	36,776,815.00
Office Equipments	13.91%	271,655.00	4,500.00		276,155.00	69,874.00	28,694.00		98,568.00	201,781.00	177,587.00
Furnitures &Fixtures	18.10%	245,652.00	0.00	0.00	245,652.00	62,324.00	33,182.00	0.00	95,506.00	183,328.00	150,146.00
Electrical Fittings	13.91%	75,510.00		0.00	75,510.00	10,682.30	9,018.00	0.00	19,700.30	64,827.70	55,809.70
Capital Work in Progress (Software Development)			6,400,000.00		6,400,000.00						6,400,000.00
TOTAL		**60,566,889.00**	**21,804,500.00**	**0.00**	**82,371,389.00**	**13,016,248.30**	**24,649,071.00**	**0.00**	**37,665,319.30**	**47,550,640.64**	**44,706,069.70**

C.N.Sreenivasan
Chartered Accountant

(K.N.Kumaresan)
Managing Director

(S. Moorthy)
Director

Particulars	As at 31-03-2003 Rs. P.	As at 31-03-2002 Rs. P.
SCHEDULE - E: SUNDRY DEBTORS		
(Unsecured Considered good)		
Exceeding Six Months	70,604,871.49	6,566,416.00
Others	18,202,053.25	76,357,788.10
	88,806,924.74	**82,924,204.10**
SCHEDULE -F: CASH AND BANK BALANCES		
Cash in hand	46,191.47	89,339.25
Balance with Bank	483,099.93	109,136.82
	529,291.40	**198,476.07**
SCHEDULE - G: LOANS & ADVANCES		
Unsecured Considered good Advances recoverable in cash or in kind for value to be received	17,541,313.00	22,062,000.00
Rental Advance	510,000.00	510,000.00
Deposits	2,306,468.00	993,268.00
Tax Deducted at Source	75,282.75	43,626.00
Interest Receivable	20,598.47	
	20,453,662.22	**23,608,894.00**
SCHEDULE H: CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	27,859,053.46	49,424,839.55
Creditors for Expenses & Other Liabilities	138,383.25	50,000.00
Provision for Taxation	30,000.00	1,650,000.00
Provision for Taxation 2001-2002(Net)	500,000.00	
	28,527,436.71	**51,524,839.55**

For And on behalf of board

C.N.Srinivasan	(K.N.Kumaresan)	(S. Moorthy)	(BALASUBRAMANI)
Chartered Accountant	Managing Director	Director	Company Secretary

Particulars	As at 31-03-2003 Rs. P.	As at 31-03-2002 Rs. P.
SCHEDULE - I: MISCELLANEOUS EXPENDITURE		
Preliminary Expenses		
Opening Balance	5,830,960.00	895,586.00
Add: Public Issue Expenses incurred during the year	0.00	2,398,967.55
Add: Lump Sum fees for rights to Publish books	0.00	3,600,000.00
Less : Written off during the year	1,063,593.00	1,063,593.00
	4,767,367.00	**5,830,960.55**
SCHEDULE - J : COST OF SOFTWARE &		
OPERATION EXPENSES		
Out sourcing development expenses	16,487,690.00	68,536,257.00
Business Promotion Expenses	201,941.00	228,800.00
Seminar & Meetings Expenses	273,795.00	575,335.09
Advertisment Expenses	23,000.00	240,000.00
	16,986,426.00	**69,580,392.09**
SCHEDULE - K: ADMINISTRATIVE EXPENSES		
Directors Travelling Expenses	150,861.00	148,050.00
Rent & Electricity	157,684.00	275,266.00
Postage & Telegram	23,917.00	52,985.05
Printing & Stationery	54,758.00	171,282.51
Consultancy charges	158,057.00	108,077.00
Rates & Taxes	26,010.00	0.00
Telephone Charges	142,397.45	283,761.52
Insurances	656.00	1,856.00
Repairs & Maintenace	152,052.00	88,898.32
Travelling & Conveyances	391,324.50	263,009.20
Books & Perodicals	0.00	0.00
Audit Fees	35,000.00	50,000.00
Loss on sale of genset		28,967.00
Share Transfer Agent Fees	67,516.67	
M isc Expns.	134,373.25	26,567.50
	1,494,606.87	**1,498,720.10**

For And on behalf of board

C.N.Srinivasan	(K.N.Kumaresan)	(S. Moorthy)	(BALASUBRAMANI)
Chartered Accountant	Managing Director	Director	Company Secretary

Particulars	As at 31-03-2003 Rs. P.	As at 31-03-2002 Rs. P.
SCHEDULE - L: EMPLOYEES REMUNERATION & BENEFITS		
Directors Salaries	72,000.00	72,000.00
Directors Sitting fees	19,000.00	64,000.00
Salaries	1,823,047.00	1,511,543.00
Staff Welfare	29,061.25	23,347.90
	1,943,108.25	**1,670,890.90**
SCHEDULE - M: FINANCIAL CHARGES		
Interest Paid	39,085.00	641,310.00
Bank Charges	21,292.87	45,030.50
	60,377.87	**686,340.50**

As Per Our Report Of Even Date

For And on behalf of board

C.N.Srinivasan	(K.N.Kumaresan)	(S. Moorthy)	(BALASUBRAMANI)
Chartered Accountant	Managing Director	Director	Company Secretary

Place:Chennai
Date : 30/06/2003

SCHEDULE – N

SIGNIFICANT ACCOUNTING POLICY.

a. Basis For preparation of Financial Statements:

The Financial Statements are presented on going concern basis under the historical cost convention adopting accrual method of accounting and in accordance with the generally accepted Accounting principles and the companies Act, 1956,as adopted consistently by the company.

b. Fixed Assets:

Fixed Assets are stated at the historical cost less accumulated depreciation.

c. Licence Fees: - Intangible Assets

License Fees of Rs.3600000(Thirty Six Lakhs) represents amount paid for acquiring rights for publishing books. It has to be written off over 10 years equally starting from financial year 2001-2002

d. Depreciation:

Depreciation on Fixed Assets is provided on written down value basis at the rates prescribed in schedule XIV to the companies Act 1956.

e. Preliminary Expenditure

Preliminary Expenditure represents Company incorporating Expenses and other expenses relating towards public issue amounted to Rs.1119386/- is to be written off over a period of five years starting from financial year 2001-2002.

f. Investment:

Long-term investments are stated at cost and all unquoted shares are valued at the purchase cost.

g. Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Current assets and liabilities denominated in foreign currency are translated at the rate of exchange as at the balance-sheet date. All resulting gains or losses are recognized in the profit and loss account

h. Deferred Tax

Deferred Tax resulting from timing differences between book and tax profit is accounted for at the current rate of Tax to the extent that the timing differences are expected to crystallize.

I. Sales

Sales are made from Branch at Pondhicherry and exempt from Sales Tax and income is recognized when bills are raised on the customers.

NOTES TO ACCOUNTS:

1. The company is engaged in development of software, which as per Accounting Standard-17 is considered the only one reportable segment

2. In compliance with the Accounting Standard –AS 22 relating to 'Accounting for Taxes on income ' issued by the Institute of Chartered Accountants of India , the company has adjusted the deferred tax liability arising out of timing differences for the period up to 31st March 2002 of Rs.69.73 Lakhs against Reserves and deferred tax liability accruing during the year aggregating to Rs. 1.36 Lakhs has been recognized in the Profit and Loss Account.

3. Share Capital

The Company during the year realized Rs.29801250/- out of the calls in arrears of Rs.3,37,47,000/- and the company still to get Calls in arrears of Rs. 39,47,750/- on 521600 equity shares @ Rs.7.50/ - each.

4. Utilisation of Public Funds	2002-2003	2001-2002
Amount Received (Rs. In Lakhs)	298.01	662.53
Less : Utilised		
Capital Expenditure	---	273.54
Investments	---	365.00
Working Capital	298.01	---
Preliminary Expenses	—	23.99
Total	298.01	662.53

5. During the year Specialist Management Resources Sdn Bhd, Malaysia had issued additional shares to the investors. Consequently Specialist Management Resources Sdn Bhd ceased to exist as a subsidiary of the company with effect from 20.12.2002 and the company holds 35.92% of the capital of Specialist Management Resources Sdn bhd as at March 2003.

As Specialist Management Resources Sdn Bhd ceases to be a Subsidiary Company. Hence Consolidation of accounts as required by Accounting standard – 21 issued by the Institute of Chartered Accountants of India is not required.

6. Capital Work in Progress

During the year the company had advanced Rs. 64,00,000/- to M/s.Net Axis Software Ltd for the development of Software which is shown under Capital Work-in -Progress as the development is in semi stage.

7. Sundry Debtors

Sundry Debtors more than 6 months includes a sum of Rs.5,70,17,295.49 on exports made last year. The Company had applied for extension of time with RBI and are confident of realizing the dues.

8. Sundry debtors, Sundry Creditors and Loan& Advances are subject to confirmation, reconciliation and adjustments wherever necessary.

9. Dividend

The company paid dividend for the year 2001 –2002 out of the profits. As the company had not made any provision for Dividend during the previous year even though, the Board recommended and the same was approved in the last year AGM by the shareholders. The dividend was distributed from the past year's Profit during this year.

10. The Components of Deferred Tax Liability/ Asset as on 31.03.2003 is as under

	2002-03 Rs. P.	2001-02 Rs. P.
Deferred Tax Liability	71.09	69.73
Deferred Tax Asset	Nil	Nil
Net Deferred Tax Liability	71.09	69.73

11.Related party transactions:

As per Accounting Standard 18 issued by the ICAI, the company's related parties are given below:

a. Key Management Personnel:

Mr. R. Palaniappan
Ms. Karen Ong
Mr. K.N. Kumaresan
Mr. Mubeenur Rehman
Mr. S. Moorthy
Mr. A.X.N.Prabhu

b. SMR Learning technologies SDN,BHD, Specialist management Resources sdn bhd

The Company transactions with the above-related party are given below:

Type of Transaction			Enterprises over which significant influence
Export of software developed	Transaction during the year	Rs.900000	SMR Learning Technologies Sdn Bhd
	Outstanding as on 31.03.2003	Rs.900000	
Purchase of software development	Transaction during the year	Rs.1,54,00,000	Specialist Management Resources sdn bhd
	Outstanding as on 31.03.2003	Nil	

12.	Earning in foreign exchange on export of goods(F.O.B Basis)	2002-03 Rs.9 Lakhs	2001-02 711.93 lakhs
13.	Directors Remuneration: - Salary Perks	2002-03 72000/- Nil	2001-02 Rs.72000/- Nil
14.	AUDIT FEES: (excluding service tax) Statutory Audit Fees	2002-03 35000/-	2001-02 Rs.35000/-
	TOTAL	Rs.35000/-	Rs.35000/-

15. There are no dues payables to SSI in excess of Rs One Lakh and outstanding for more than 30 days.

16.	Earnings Per Share	2002- 2003 Rs. In Lakhs	2001-2002
	Profit after Taxation	2.05	164.68
	No of Shares	1,00,00,000	1,00,00,000
	Earning Per Share	Rs.0.02	Rs.1.65
17.	Expenditure in Foreign Currency	Nil	Nil
18.	Contingent Liability	Nil	Nil

19. Previous year figures have been regrouped wherever necessary to make them comparable.

20. As a company involved in Software Development the furnishing of Quantitative particulars is not practicable.

Place: Chennai
Date: 30.06.2003

C.N.Srinivasan
Chartered Accountant

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2003

	(Amount in Rs.) 2002-2003	(Amount in Rs.) 2001-02
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/Loss Before Tax And Extra Ordinary Items	370,653.54	24,434,215.41
Adjustment for:		
-Depreciation	24,649,071.00	11,770,672.00
-Miscellaneous expenses written off	1,063,593.00	1,063,593.00
-Loss on sale of fixed assets	0.00	28,967.00
Operation Profit before Working Capital Changes	26,083,317.54	37,297,447.41
Adjustment for:		
-Trade Receivables & other assets	-2,727,488.00	-96,192,987.10
-Current Liabilities & Provisions	-21,877,402.84	45,479,529.15
-Income Tax	-1,150,000.00	-97,331.00
-Dividend	-2,174,361.00	0.00
Net Cash From Operating Activities	**-1,845,934.30**	**-13,513,341.54**
B: CASH FLOW FROM INVESTING ACTIVITIES:		
- Purchase of Fixed Assets	-21,804,500.00	-53,755,090.00
- Proceeds from sale of Fixed Assets	0.00	25,000.00
- Miscellaneous Expenditure	0.00	-5,998,967.55
- Purchase of Investments	-5,820,000.00	-36,500,000.00
Net Cash used in Investing Activites	**-27,624,500.00**	**-96,229,057.55**
C: CASH FLOW FROM FINANCING ACTIVITIES:		
-Proceed From Issue Of Share Capital	29,801,250.00	110,231,000.00
-Proceed From Long Term Borrowings	0.00	400,000.00
-Repayment of Long Term Borrowings	0.00	-1,356,011.49
Net Cash From Financing Activies	**29,801,250.00**	**109,274,988.51**
D: NET INCREASE IN CASH AND CASH EQUIVALENTS	330,815.33	-467,410.58
E. Cash & Cash equivalents at the beginning of the year	198,476.07	665,886.65
F. Cash and Cash Equivalents at the end of the year	529,291.40	198,476.07

(K.N.Kumaresan) Managing Director

(S. Moorthy) Director

(BALASUBRAMANI) Company Secretary

Place:Chennai
Date : 30/06/2003

AUDITORS CERTIFICATE

I have examined the above cash flow statement of **SMR UNIVERSAL SOFTECH LTD** (the company) for the year ended 31st March 2003. The statement has been prepared by the company in accordance with the requirements of Listing Agreement and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by my report of even date to the members of the company.

Place: Chennai
Date :30/06/2003

C.N.Srinivasan
Chartered Accountant

PART IV- BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No:	44664	(State Code)	18	(Refer Code List)
Balance Sheet Date	31 DATE	03 MONTH	2003 YEAR	

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousands)

Public Issue = Nil	Rights Issue = Nil
Bonus Issue =Nil	Private Placement =Nil

III. POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS (Amount in Rs.Thousands)

Total liabilities = 201583	Total Assets =201583
SOURCE OF FUNDS	SOURCE OF FUNDS
Paid up capital =96054	Reserves & Surplus =69892
Secured Loans =Nil	Unsecured Loans = Nil
APPLICATION OF FUNDS	APPLICATION OF FUNDS
Net Fixed Assets =44706	Investments =42320
Net Current Assets =81263	
Accumulated Losses =nil	Misc. Expenses =4767

IV.PEREFORMANCE OF COMPANY (Amount in Rs.Thousands)

Turnover = 46568	Total Expenditure =46197
Profit/Loss before tax =371	Profit/Loss after tax =204
Earning per Share in Rs. 0.02	Dividend Rate % =nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No: 8471 -99
(ITC Code)
Product Description: Development of software

Item Code No: NA
(ITC Code)
Product Description:

Item Code No: NA
(ITC Code)
Product Description:

NOTE: For ITC Code of Products please refer to the publication Indian trade Classification based on harmonized commodity description and coding system by Ministry of Commerce, Directorate General of Commercial intelligence and statistics, Calcutta-700 001.

SMR UNIVERSAL SOFTECH LIMITED
#05, Damodran Street, Kellys Chennai-10.

ATTENDANCE SLIP

Please complete the Attendance slip and hand it over at the entrance of the Meeting Hall.
Name & Address of the Shareholders(s):
Ledger Folio No. / ID:
No. of Shares held :

I hereby record my presence at the Annual General Meeting of the Company, at Arunthathi Hall, #70, Patel Road, Chennai-11 held on Thursday, 25th September 2003, at 9.00 A.M.

SIGNATURE OF THE SHAREHOLDER / PROXY*

*Strike out whichever is not applicable.

_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ CUT HERE _

SMR UNIVERSAL SOFTECH LIMITED
#05, Damodran Street, Kellys Chennai-10.

FORM OF PROXY

Proxy No.....
Ledger Folio No. / ID.....
No.of.Shares.....

I/We.....of.....
being a Member/Members of **SMR UNIVERSAL SOFTECH LIMITED** hereby appoint ..... or failing him/her.....of .....
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday , the 25th September 2003, at 9.00 A.M.

Signed this ..... Day of 2003

Affix
Re.1
Revenue
Stamp