

5th

ANNUAL REPORT
2000 - 2001



Response Informatics Limited

RESPONSE INFORMATICS LIMITED

BOARD OF DIRECTORS

Shri. P.M. Nair	Chairman
Shri. R. Ganesh	Managing Director
Shri. I.V.S.S.N. Raju	Executive Director
Shri. H.R. Baid	Director
Shri. K. Harinath	Director
Shri. K. Subba Rao	Director
Smt. Kiron Mahesh	Director

AUDITORS

M/s. Hari Babu & Associates
Chartered Accountants, Secunderabad.

BANKERS

1. The South Indian Bank Ltd.,
2. The Federal Bank Ltd.,

REGISTERED OFFICE

Plot No.1132, H.No.8-3-966/13,
Nagarjuna Nagar, Srinagar Colony,
Ameerpet, Hyderabad – 500 073.

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the Members of **RESPONSE INFORMATICS LIMITED** will be held on Friday the 28th September, 2001 at 11.00 AM at the Registered Office of the Company, Plot No.1132, H.No.8-3-966/13, Nagarjuna Nagar, Srinagar Colony, Ameerpet, Hyderabad - 500 073 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt The Audited Balance Sheet as at 31st March 2001 and Profit and Loss Account for the year ended 31st March, 2001 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri. P.M. Nair who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Mr. H.R. Baid be and is hereby appointed as a Director of the Company and whose period of office shall be liable to retirement by rotation."

5. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Mr. K. Harinath be and is hereby appointed as a Director of the Company and whose period of office shall be liable to retirement by rotation."

6. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Mr. K. Subba Rao be and is hereby appointed as a Director of the Company and whose period of office shall be liable to retirement by rotation."

For and On Behalf of The Board

Place : Hyderabad

Date : 29th June, 2001.

P.M. NAIR

Chairman

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/ herself and proxy need not be a member of the Company. Proxy Form in order to be effective must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting.
2. The Register of Members and Share Transfer Books remain closed from 21.09.2001 to 28.09.2001 (Both days Inclusive) in connection with the Annual General Meeting

RESPONSE INFORMATICS LIMITED

EXPLANATORY STATEMENT

PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM No: 4 to 6

Mr. H.R. Baid, Mr. K. Harinath and Mr. K. Subba Rao were appointed as Additional Directors of the Company on 31.03.2001 till conclusion of this Annual General Meeting. Hence suitable resolutions are set out in Item No. 4 to 6 for Re-appointment of the aforesaid Directors.

For and On Behalf of The Board

Place : Hyderabad
Date : 29.06.2001.

P.M. NAIR
Chairman

RESPONSE INFORMATICS LIMITED

'Details of the Directors seeking reappointment in Annual General Meeting fixed on 28.09.2001.

Name of Director : Shri. P.M. Nair
Date of Birth : 15-03-1941
Date of Appointment : 05-12-1996
Expertise in Specific functional area : Technocrat
Qualification : a) DCE – Kerala Board of Technical Education
b) FIIPE – All India Professional Body of
Plant Engineers – Hyderabad Chapter
c) MBA – Institute of Business Management – Bombay
d) PGDCA
List of outside Directorship held : 1. Response Projects (India) Ltd.,
2. Response Finance and Allied Services Ltd.,
3. Ganpati Sugar Ind. Ltd.
4. Divya Technical Services Ltd.
5. Capricon Projects (India) Pvt. Ltd.,
6. Telangana Sugars & Power Projects Ltd.,
7. Shiva Hitech Projects (I) (P) Ltd.
8. Shiva Hitech Non-Conventional Systems (P) Ltd.
Chairman/Member of the Committee
of the Board of Directors of the
Company : NIL
Chairman/Member of the Committee
of Director of other Companies in
which he/she is a Director : NIL
a) Audit Committee : NIL
b) Shareholders Committee : Nil
c) Remuneration Committee : NIL
d) Share Transfer Committee : NIL
e) Compensation Committee : NIL

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2001

To

The Members,

Your Directors have pleasure in presenting their Fifth Annual Report and Audited Accounts of the Company for the year ended 31st March 2001.

FINANCIAL RESULTS

(Rs. in Lakhs)

	2000-01	1999-2000
Total Income	75.65	27.82
Profit before Interest and Depreciation	37.39	9.86
Less: Interest	4.39	NIL
Profit after interest but before Depreciation & Tax	33.00	9.86
Less: Depreciation	10.49	1.92
Profit before Tax	22.51	7.94
Less: Provision for Tax	8.71	2.50
Profit after Tax	13.80	5.44
Add: Balance brought from Previous Year	5.57	0.13
Surplus carried to Balance Sheet	19.37	5.57

DIVIDEND:

In view of the meagre profit earned by the Company, your Directors express their inability to recommend payment of Dividend for the year.

REVIEW OF THE OPERATIONS:

Market being totally down, there is less workload with the Company. However employees are fully loaded with work. Company is also completed its study on call centre business and finding it highly lucrative and hence decided to enter this business to strengthen its bottom line and thereby benefit to share holders.

ISSUE OF SHARES:

During the year under review, your Company has successfully made an initial public offer to the tune of 47,42,500 equity shares of Rs.10/- each for cash at par.

PUBLIC DEPOSITS:

During the year under review, your Company has neither accepted nor renewed any public deposits Section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY

ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO: — NIL —

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

The Directors hereby confirm:-

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period;
- iii) That 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;
- iv) That the directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company is in receipt of remuneration at the rate of Rs.12,00,000/- per annum or at the rate of Rs.1,00,000/- per month, where employment is for a part of the year whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956, read with (Particulars of Employees) Rules, 1975.

DIRECTORS:

Mr. P.M. Nair, a Director of the Company retired by the rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment to the office of a Director on the Board of your Company.

Mr. K.V. Vaiteeswaran, Mr. C.S. Jagdeesh Chandran and Mr. M.L. Swamy Directors of the Company have resigned from the Board with effect from 31.03.2001. Your Directors place on record their sincere appreciation of the valuable services rendered by them during their tenure as the Directors of the Company.

Mr. H.R. Baid, Mr. K. Harinath and Mr. K. Subba Rao were appointed on the Board as the Directors of the Company with effect from 31.03.2001.

AUDITORS:

M/s. Hari Babu and Associates., Chartered Accountants, Secunderabad, retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a Certificate from the under Section 224(1-B) of the Companies Act, 1956.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Corporate Governance and Management Discussion and Analysis Reports are set out as separate Annexures to this Report.

On behalf of the Board

Place : Hyderabad
Date : 29th June, 2001

P.M. NAIR
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Part of Directors Report:

Management's' Discussion and Analysis:

Over View: For Software Industry, it was not a conducive, despite tough business environment Company could withstand the slowdown in industry without incurring losses as a whole. The Company is on infant stage and striving hard to establish itself with high competitiveness and confident that the present year the Company is bound to farewell. With all the drawbacks in the market, Company could achieve a net profit of Rs.14,01,372.00 Lacks.

Industry Structure and developments:-

The Company established a full-fledged Software Development Center and registered itself with S.T.P., Govt. of India. Company is concentrating in development of ERP Packages, Web Sites and Portal development. Company could establish well in this line.

Opportunities & threats:-

There is abundant opportunities to develop business in this line. The Company is keeping track of the changing market requirement with advent of fast Technological changes and opting to it to be in the market. After studying the opportunities, the Company is entering the call center business and expected to commission 25 seat text based call center by 15th October 2001.

The major threat is fierce competition and change of trends and market requirements. Company should always prepare for the same by accepting the challenges.

Segment wise performance:-

The Company's main concentration is in Web Site Developments and ERP Packages developments. Both sectors are faring well and hope to have good business in future.

Outlook:-

Even though there is slow down in the International market and thereby set back to local unit, Company is confident of withstanding the pressure and obtain workload to have better performance.

Risk and Concerns:-

Company is not anticipating any major threat or concern on its progress.

Internal Control Systems and its adequacy:-

All the laidout procedures are totally followed in keeping Company performance spik and span. Company is also following all the rules and statutes to avoid any type of loss or complications.

Financial performance visa viz., Operational performance:-

As the Company is building it business and a beginner under the given circumstances both performance are satisfactory.

HRD Front: -

Company is striving hard to develop its line of activities and updating the technical skill of man power working with necessary in-house training as well as training them in reputed institution. As the Company is entering text based call center, the Company is planning to recruit and train 25 more professionals to enable to start the line as soon as infrastructure is ready.

ANNEXURE TO THE DIRECTORS' REPORT

Corporate Governance Report

1. Company's Philosophy on Code of Governance:

The basic philosophy of corporate governance of the Company is to achieve transparency independence, accountability, responsibility, fairness and social responsibility and to achieve business excellence and enhance shareholder value.

2. Board of Directors:

The Constitution of the Board of Directors of the Company comprises of optimum combination of Executive and Non-Executive Directors (Independent) as under:

None of the directors on the Board are members in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are directors.

The Company did not have any pecuniary relationship or transactions with the non- executive directors during the period under review.

The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also number of other directorships and Committee Memberships are given below:

S.No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No.of other directorships	No.of other Committee members
1.	Shri. P.M. Nair	Chairman (Executive)	8	Yes	8	Nil
2.	Shri. R. Ganesh	Managing Director	8	Yes	2	Nil
3.	Shri. I.V.S.S.N. Raju	Executive Director	8	Yes	6	Nil
4.	Smt. Kiron Mahesh	Director	—	No	Nil	Nil
5.	Shri. H.R. Baid	Director (Independent)	*	Appointed after the date of AGM	6	Nil
6.	Shri. K. Harinath	Director (Independent)	*	Appointed after the date of AGM	Nil	Nil
7.	Shri. K. Subba Rao	Director (Independent)	*	Appointed after the date of AGM	Nil	Nil
8.	Shri. R. Bhaskar	Director (Independent)	4	No	Nil	Nil

* Appointed to the Board w.e.f. 31-03-2001

3. Constitution of Audit Committee

The Company has constituted the Audit Committee with the following Independent Non - Executive Directors:

1. Shri. H.R. Baid,
2. Shri. K. Harinath,
3. Shri. K. Subba Rao.

It is further inform you that Shri. H.R. Baid B.Com, L.L.B, FCS, who is having sound Financial & Accounting knowledge has been appointed as Chairman of the Audit Committee.

4. Share Holders / Investors Grievance Committee

The Company has setup ShareHolders / Investors Grievance Committee with the following Directors.

1. Shri. H.R. Baid,
2. Shri. P.M. Nair,
3. Shri. K. Harinath.

Shri H.R. Baid, a non-Executive Independent Director has been appointed as Chairman of the aforesaid Committee.

RESPONSE INFORMATICS LIMITED

5. Details of Annual General Meeting

Location and time, where last three AGMs held

Year	Location	Date	Time
1997-98	604, Arun Apartments, Hyderabad	30-09-1998	10.00 AM
1998-99	604, Arun Apartments, Hyderabad	28-09-1999	11.00 AM
1999-2000	106, Vijaya Towers, Ameerpet, Hyderabad	07-08-2000	11.00 AM

6. Disclosures

There were no transactions of material nature with the directors or the management or their subsidiaries or relatives during the year.

There were no instances of non-compliance on any matter related to the capital market, during the last three years.

7. Means of Communication

- Quarterly results are published in prominent daily newspapers viz. Business Standard and a local language newspaper. The annual results are posted to every shareholder of the Company.
- Management's Discussions & Analysis forms part of this annual report, which is also being posted to all the shareholders of the Company.
- Official news releases are given directly to the press.

8. General Shareholder Information

- Annual General Meeting is proposed to be held on Friday, 28th September, 2001 at 11.00 AM at the Registered Office of the Company, Plot No.1132, H.No.8-3-966/13, Nagarjuna Nagar, Srinagar Colony, Ameerpet, Hyderabad - 500 073.

b. Financial Calendar

Financial reporting for the First quarter ending June 30 th ,2001	End July 2001
Financial reporting for the half year ending September 30 th ,2001	End October 2001
Financial Reporting for the third quarter ending December 31,2001	End January 2002
Financial Reporting for the year ending March 31, 2002	End June 2002
Annual General Meeting for the year ended March 31, 2002	End September, 2002

c. Dates of book closure

The Share Transfer Books and Register of Members of the Company will remain closed from 21st September 2001 to 28th September 2001 (both days inclusive).

9. Listing Details

The Company's shares are listed on the Stock Exchanges in Hyderabad and Kolkata and the listing fees for the period 2000-2001 have been paid to these Stock Exchanges.

10. Stock Price Data

Month & Year	Hyderabad Stock Exchange			
	High	Low (Rs.)	Monthly Avg (Rs.)	Total Qty. Traded
September 2000	15.00	7.05	10.00	22865
October 2000	7.00	6.00	6.30	3522
November 2000	5.90	4.50	5.00	2101
December 2000	4.50	4.50	4.50	400
January 2001	4.50	3.90	4.10	3100
February 2001	6.30	4.05	5.30	8800
March*2001	5.90	3.90	4.60	4750

RESPONSE INFORMATICS LIMITED**11. Distribution of Shareholding as on 31st March 2001**

Share holding of nominal value of Rs. (1)	Share Holders		Share Amount	
	Number (2)	% to Total (3)	In Rs. (4)	% to Total (5)
Upto - 5000	2630	78.02	7383100.00	12.20
5,001 - 10,000	260	7.71	1914440.00	3.16
10,001 - 20,000	110	3.26	1729400.00	2.86
20,001 - 30,000	194	5.75	4965000.00	8.21
30,001 - 40,000	36	1.07	1307010.00	2.16
40,001 - 50,000	33	0.98	1556000.00	2.57
50,001 - 1,00,000	44	1.31	3410000.00	5.64
1,00,001 and Above	64	1.90	38238050.00	63.20
TOTAL	3371	100.00	60503000.00	100.00

12. Pattern of Shareholding as on 31st March, 2001

Sl.No.	Category	No. of Holders	No. of Shares	%
1.	Resident Indian	3287	36,23,628	60
2.	Domestic Companies	24	24,26,672	40
3.	NRI	0	0	0
4.	Foreign Companies	0	0	0
5.	Mutual Fund	0	0	0
6.	Financial Institutions	0	0	0
7.	Nationalised Banks	0	0	0
8.	FII	0	0	0
9.	Others	0	0	0
TOTAL		3311	60,50,300	100

13. Share Transfer Agent

The Company has engaged the services of Aarhi Consultants Private Limited, 1-2-285, Domaiguda, Hyderabad-500 029, a SEBI registered Registrar, as Share Transfer Agents for processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trades in Company's shares can now be done only in the dematerialised form, request for demat and remat should be sent directly to the Registrars. Shareholders have the option to open their accounts with either NSDL or CDSL as the Company has entered into Agreements with both these Depositories.

14. Share Transfer System:

The Share transfers are being effected physically by the Company's share transfer agents, Aarhi Consultants Pvt. Ltd., Hyderabad, the Company has entered into an agreement with the Depositories, viz., NSDL and CDSL for dematerialization of its shares.

15. Dematerialization of Shares:

As on March 31st 2001 6,52,300 shares of the Company were held in dematerialized form and the balance 53,98,000 shares were in physical form.

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16. Software Development Center

Response Informatics Limited
Plot No.1132, 8-3-966/13,
Nagarjuna Nagar, Srinagar Colony,
Ameerpet, Hyderabad - 500 073.

17. Investor Correspondence

a. Response Informatics Limited
Share Department
Plot No.1132, 8-3-966/13,
Nagarjuna Nagar, Srinagar Colony,
Ameerpet, Hyderabad - 500 073.
Phone No's: (040)-3745834, 3757169
Fax: 040-3757170
E-mail: resinfo@hd2.dot.net.in
Contact person: G. Gopa Kumar

b. Aarthi Consultants Private Limited
Unit-Response Informatics Limited
1-2-285, Domalguda,
Hyderabad - 500029
Ph: 7642217
Fax: 7632184
E-mail: aarcons@hd2.dot.net.in

18. Nature of Shareholders complaints received during the period September 2000 to March, 31, 2001

S.No.	Type of Complaint	Total Complaints received	Complaints Redressed	Redressal Under process
1.	Non receipt of allotment refund	11	11	Nil
2.	Non receipt of Brokerage	1	1	Nil
3.	Non receipt of Demat Credit	4	4	Nil
4.	Clause of	4	4	Nil
5.	Non receipt of Share Cert	12	12	Nil
6.	Non receipt of Fully Paid	2	2	Nil
Total		34	34	Nil

For and on behalf of the Board

Place : Hyderabad
Date : 29-06-2001

P.M. NAIR
Chairman

R. GANESH
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Member of **Response Informatics Limited**
Hyderabad.

We have examined the compliance of conditions of corporate governance by Response Informatics Limited for the year ended March 31, 2001. as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

For **HARI BABU & ASSOCIATES**
Chartered Accountants

Place : Secunderabad
Date : 29-06-2001

(Ch. HARI BABU)
Partner

AUDIT REPORT

To
The Members
Response Informatics Limited
HYDERABAD.

We have audited the attached Balance Sheet of **Response Informatics Limited** as at 31st March, 2001 and the Profit & Loss Account for the period ended on that date annexed hereto and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been kept by that Company so far as appear from our examination of the books.
3. The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account.
4. In our opinion the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in sub-section (3-C) of Section 211 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to explanations given to us, the said accounts read with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2001 and
 - b) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
6. On the basis of confirmations received from directors, none of the director is disqualified from being appointed as a director under Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
7. As required by the manufacturing and other companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, and according to the information and explanation given to us during the course of the audit and on the basis of such checks as we considered appropriate, we further report that:
 - a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets. The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
 - b) None of the Fixed Assets have been revalued during the year
 - c) The stocks of stores and raw materials have been physically verified during the year by the management. In our opinion the frequency or the verification is reasonable.
 - d) Proper records have been maintained in respects of raw material and raw material is in force. In our opinion the frequency of physical verification adopted by the Company is reasonable and adequate.
 - e) No material discrepancies have been noticed on physical verification of stock as compared book records in so far as appear from our examination of the books.
 - f) The valuation of stocks is fair and proper and is in accordance with a normally accepted accounting principle and is on the same basis as in the previous year.

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- g) The Company has not taken any loans, Secured or Unsecured to Companies, firms or other partner listed in the register maintained under section 301 of the Companies Act, 1956. There are no Companies under the same management.
- h) The Company has granted loans other than deposit to the Companies, firms or other parties listed the register maintained under section 301 of the Companies Act. Prima facie the terms and conditions of such loans were not prejudicial to the interest of the Company.
- i) In respect of loans or advances in the nature of loans where repayments have been stipulated. In respect of other loans and advances in the nature of loans given by the Company, instalments have generally been regularly received where stipulated and parties have been regular in payment of interest where stipulated.
- j) In our opinion and to the information given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of components, plant and machinery, equipments and other assets.
- k) As explained by the management and on our examination of the books of the Company, there are no purchases of stores, Raw Materials, or Components during the year in excess of Rs.50000/- in value of each type there of from firms and companies in which the directors are interested as stated in the register maintained under section 301 of the Companies Act, 1956.
- l) As explained to us, unserviceable or damaged or obsolete stores and raw materials or finished goods are determined by the Company each year and on such basis adequate amounts are written off in the accounts.
- m) The Company has not accepted any deposits from the public during the period covered by the report.
- n) The Company has no by-products and realisable scrap during the year.
- o) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of the Company.
- p) Maintenance of cost records under section 209 (1) (d) of the companies Act, 1956 has not been prescribed by the Central Government for their Company.
- q) The Company does not come under the purview of the Provident Fund Act and Employees State Insurance Act and hence clause inapplicable.
- r) In our opinion and according to the information and explanation given to us there are no undisputed and out standing amounts payable in respect of Income Tax, Wealth Tax, Central Excise Duty, Customs Duty as at the last day of the financial year concerned for a period of more than 6 months from the day there becomes payable.
- s) In our opinion and according to the information and explanation given to us, no personal expenses have been charged to Revenue Account.
- t) In our opinion and according to the explanation given to us the Company is not a sick industrial Company with in the meaning of Section 3 (1) (o) of the Sick Industrial Companies (Special Provision) Act, 1985 and according no reference is made to the BIFR.

For HARIBABU & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : Secunderabad
Date : 29-06-2001

(CH. HARI BABU)
Partner

BALANCE SHEET AS ON 31-03-2001

	SCH.	31.03.2001		31.03.2000	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
1. Shareholders funds:					
a. Capital	A	56,577,500		4,600,000	
b. Reserves & Surplus	B	1,937,236		556,517	
			58,514,736		5,156,517
2. Loan Funds:					
a. Secured Loans		0		0	
b. Unsecured Loans	C	3,655,918		1,041,500	
			3,655,918		1,041,500
TOTAL			62,170,654		6,198,017
APPLICATION OF FUNDS:					
1. Fixed Assets					
a. Gross Block	D	2,957,142		1,107,917	
b. Less: Depreciation		1,240,543		191,637	
c. Net Block		1,716,599		916,280	
d. Capital work –in-Progress		0		0	
			1,716,599		916,280
2. Investments					
			9,345,000		--
3. Current Assets Loans and Advances					
a. Inventories					
b. Sundry Debtors					
c. Cash & Bank Balance	E	20,415,518		5,341,957	
d. Other Current Asset	F	6,750,573		255,643	
e. Loans & Advances	G	23,622,486		522,468	
		50,788,577		6,120,068	
Less: Current Liabilities & Provisions					
a. Liabilities	H	0		0	
b. Provisions		801,668		1,010,977	
Net Current Assets			49,986,909		5,109,091
Miscellaneous Expenditure (to the extent not written off or adjusted)	I		1,122,146		172,646
TOTAL			62,170,654		6,198,017
Notes on Accounts	M				

Asper our report of even date attached

For and on behalf of the Board

For **HARI BABU & ASSOCIATES**
Chartered Accountants

P.M. NAIR
Chairman

R. GANESH
Managing Director

Place : Secunderabad
Date : 29-06-2001

RESPONSE INFORMATICS LIMITED**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDING 31.03.2001**

	SCH.	31.03.2001 Rs.	31.03.2000 Rs.
I. INCOME			
a) Software Development Charges		3,310,000	2,150,000
B) Other Income	J	4,255,281	632,158
		<u>7,565,281</u>	<u>2,782,158</u>
II. EXPENDITURE			
A) Administrative Expenditure	K	3,778,518	1,545,242
B) Consumables		0	249,300
C) Financial Charges	L	486,485	2,545
D) Depreciation	D	1,048,906	191,637
		<u>5,313,909</u>	<u>1,988,724</u>
Profit/(Loss) for the year		2,251,372	793,434
Less: Provision for tax		850,000	249,777
Profit/(Loss) after tax		1,401,372	543,657
Less : Short Provision of Income Tax of earlier Years		20,653	0
Previous Year Profit/(Loss)		556,517	12,860
Balance Carried To Balance Sheet		1,937,236	556,517

Asper our report of even date attached

For and on behalf of the Board

For **HARI BABU & ASSOCIATES**
Chartered Accountants**P.M. NAIR**
Chairman**R. GANESH**
Managing Director

Place : Secunderabad

Date : 29-06-2001

SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31ST, 2001

	31.03.2001 Rs.	31.03.2000 Rs.
SCHEDULE – A:		
SHARE CAPITAL		
Authorised:		
80,00,000 Equity Shares of Rs.10/- each	<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed and Paid up Capital:		
60,50,300 Equity Shares of Rs.10/- each		
(Previous year 154100 Equity Shares of Rs.10/- each)	60,503,000	
Less Calls Unpaid	<u>3,925,500</u>	
	56,577,500	1,541,000
Share Application Money	0	3,059,000
TOTAL	<u>56,577,500</u>	<u>4,600,000</u>
SCHEDULE – B		
RESERVES & SURPLUS		
Profit & Loss A/c	<u>1,937,236</u>	<u>556,517</u>
	1,937,236	556,517
SCHEDULE – C		
Unsecured Loans		
Federal Bank Cash Credit	3,655,918	0
From Others	0	1,041,500
	<u>3,655,918</u>	<u>1,041,500</u>
Schedule – E		
Cash & Bank Balances		
Cash On Hand	37,927	4,006
Balance With Scheduled Banks		
- In Sikkim Bank Ltd.,	0	33,990
- In The Federal Bank Ltd	12,606	3,743,880
- In Anz Grindalayas Bank Ltd.,	85,775	579,331
- In The South Indian Bank Ltd.,	29,209	980,750
Deposits With Banks		
- In The Federal Bank Ltd.,	10,000,000	0
- In The South Indian Bank Ltd.,	10,250,000	0
	<u>20,415,518</u>	<u>5,341,957</u>

SCHEDULE - D : FIXED ASSETS

(Rupees)

		GROSS BLOCK				DEPRECIATION			NET BLOCK	
Sl. No.	Description	As at 1st April 2000	Additions Adjustments during the year	Deductions/ Adjustments during the year	As at 31st March 2001	For the Year	Upto 1st April 2000	As at 31st March 2001	As at 31st March 2001	As at 1st April 2000
1.	Computers	1,107,917	1,587,600	0	2,695,517	1,001,552	191,637	1,193,189	1,502,328	916,280
2.	Furniture & Fixtures	0	261,625	0	261,625	47,354	0	47,354	214,271	0
TOTAL		1,107,917	1,849,225	0	2,957,142	1,048,906	191,637	1,240,543	1,716,599	916,280

RESPONSE INFORMATICS LIMITED

	31.03.2001	31.03.2000
	Rs.	Rs.
SCHEDULE – F		
OTHER CURRENT ASSETS		
Chit Funds	3,987,101	252,643
Telephone Deposit	8,175	3,000
H S E Deposits	474,250	0
Rent Deposit	14,400	0
Interest Receivable	2,266,647	0
	<u>6,750,573</u>	<u>255,643</u>
SCHEDULE – G		
LOANS & ADVANCES		
Inter Corporate Advances	502,468	0
Advance For Building	3,000,000	0
Staff Advance	10,493	0
Prepaid Expenses	109,525	0
Other Advances	20,000,000	0
	<u>23,622,486</u>	<u>0</u>
SCHEDULE – H		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	120,555	573,900
Provisions	204,195	172,300
Audit Fee	25,000	15,000
Income Tax Provision	850,000	249,777
Less T D S	398,082	
	<u>451,918</u>	
	<u>801,668</u>	<u>1,010,977</u>
SCHEDULE – I		
Preliminary Expenses Written Off	9,000	9,000
Add: Capital Enhancement fee	182,940	182,940
Add Public Issue Expenses	1,076,327	0
	<u>1,268,267</u>	<u>191,940</u>
Less: Written Off		
Upto Last Year	19,294	
During the Year	126,827	
	<u>146,121</u>	<u>19,294</u>
	<u>1,122,146</u>	<u>172,646</u>

RESPONSE INFORMATICS LIMITED

	31.03.2001 Rs.	31.03.2000 Rs.
SCHEDULE – J		
OTHER INCOME		
Chit Dividend	1,127,765	75,463
Interest received	1,760,356	0
Interest on Fixed Deposits	1,259,459	0
Other Interest	107,702	0
Training Institute Income	0	556,695
	<u>4,255,281</u>	<u>632,158</u>
SCHEDULE – K		
ADMINISTRATIVE EXPENSES		
Chit Loss	150,000	65,000
Rent	221,600	166,400
Lease of Computers	96,000	180,000
UPS Charges	127,225	3,700
Postage & Telegrams	15,650	292
Staff Welfare	87,468	37,536
Salaries	712,030	447,000
Audit Fee	25,000	20,000
Advertisement	30,016	113,450
Tender Forms	0	520
Commission	0	20
Electrical Maintenance	96,650	260
Institute Maintenance	116,850	93,825
Licences & Taxes	17,431	1,000
Printing & Stationery	154,617	160,958
Travelling Expenses	550,911	154,840
Telephone Charges	118,963	26,575
Accounting Charges	24,000	24,000
Office Maintenance	172,408	17,044
Conveyance	72,182	13,528
Project Cost Expenses	500,000	0
Fees & Taxes	228,033	0
Professional Fee	30,000	0
Repairs & Maintenance	27,301	0
Brokerage	40,860	0
Software Charges	22,497	0
Directors Sitting Fee	14,000	0
Miscellaneous Expenses Written Off	126,827	19,294
	<u>3,778,518</u>	<u>1,545,242</u>
SCHEDULE – L		
Financial Charges		
Bank Interest	439,262	0
Bank Charges	47,223	2,545
	<u>486,485</u>	<u>2,545</u>

RESPONSE INFORMATICS LIMITED

SCHEDULE : M

NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

1. METHODS OF ACCOUNTING:

- (a) The financial statements are prepared on the historical cost convention and in accordance with the generally accepted principles.
- (b) The Company follows accrual system of accounting in the preparation of accounts except where otherwise stated.

2. FIXED ASSETS:

- (a) Fixed assets are stated at actual cost. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses.

3. DEPRECIATION:

Depreciation is provided on written down value method at the rates prescribed in schedule XIV of the Companies Act, 1956.

4. Preliminary & Deferred Revenue Expenses:

- (a) Preliminary expenses are written off over a period of ten years.

5. Taxation:

Provision for Income Tax is made after considering eligible exemptions and deductions, at the rates applicable under the Income Tax Act, 1961.

OTHER NOTES:

- 1. Contingent liabilities not provided for Rs.20,00,000/- (Previous year : Nil)
- 2. (a) Sundry Creditors includes due to small scale industrial under takings : Nil
(b) Dues to SSI Units to whom amounts in excess of Lac each is due for more than 30 days as at the close of the year. Nil
- 3. Depreciation has been provided on W.D.V. method under the provisions of Section 205 (2)(b) of the Companies Act, 1956 in respect of all the assets, on three-shift basis.
- 4. Particulars of Remuneration to the Technical Director:

	Current Year	Previous Year
	Rs.	Rs.
Salary and other benefits	Nil	Nil

- 5. Balances due to or due from the parties are subject to confirmation.

- 6. Additional information pursuant to the provisions of paragraphs 3, 4c and 4d of Part II of Schedule VI of the Companies Act, 1956.

	Year ended 31-03-2001		Year ended 31-03-2000	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
a) Turnover	NA	75,65,281	NA	27,82,158
b) Capacity	NA	--	NA	--
c) Opening Stock	NA	--	NA	--
d) Closing Stock	NA	--	NA	--
e) Value of Imports				
1. Capital Goods	NIL	NIL	NIL	NIL
2. Components and Spare parts	NIL	NIL	NIL	NIL
f) Expenditure in Foreign Currency				
1. On account of Travelling Exp		NIL		NIL
2. On account of Salaries		NIL		NIL
3. On account of Capital Goods		NIL		NIL
g) Value of Imported and Indigenous Raw Materials, Spare Parts and Other Materials		NIL		NIL
h) Earnings in Foreign Currencies		NIL		NIL

- 7. Previous Year's figures have been regrouped/ rearranged wherever necessary.

- 8. Figures are rounded off to the nearest rupee.

As per our report attached to the Balance Sheet

For HARI BABU & ASSOCIATES
CHARTERED ACCOUNTANTS

(CH. HARI BABU)
Partner

Place : Secunderabad
Date : 29-06-2001

For and on behalf of the Board

P.M. NAIR
CHAIRMAN

R. GANESH
MANAGING DIRECTOR

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956. (AS AMENDED)

I Registration Details		(Rs. in 000's)
Registration No:	<input type="text" value="01-25871 of 1996-97"/>	State Code: <input type="text" value="01"/>
Balance Sheet Date:	<input type="text" value="31 - 03 - 2001"/>	
II Capital Raised During the Year		
	Public Issue:	Rights Issue:
	<input type="text" value="17,503"/>	<input type="text" value="NIL"/>
	Bonus Issue:	Private Placements:
	<input type="text" value="NIL"/>	<input type="text" value="43,000"/>
III Position of Mobilisation and Deployment of Funds		
	Total Liabilities:	Total Assets:
	<input type="text" value="62,171"/>	<input type="text" value="62,171"/>
Sources of Funds:		
	Paid-up Capital:	Reserves and Surplus:
	<input type="text" value="56,578"/>	<input type="text" value="1,937"/>
	Share application Money:	Secured Loans:
	<input type="text" value="NIL"/>	<input type="text" value="NIL"/>
	Unsecured Loans;	
	<input type="text" value="3,656"/>	
Application of Funds		
	Net Fixed Assets:	Pre-Operative Expenses
	<input type="text" value="1,717"/>	<input type="text" value="NIL"/>
	Investments:	Net Current Assets
	<input type="text" value="9,345"/>	<input type="text" value="49,987"/>
	Miscellaneous Expenses	Accumulated Losses:
	<input type="text" value="1,122"/>	<input type="text" value="NIL"/>
IV Performance of Company		
	Turnover:	Total Expenditure:
	<input type="text" value="7,565"/>	<input type="text" value="5,314"/>
	Net Profit/(loss)	Profit After Tax
	<input type="text" value="2,251"/>	<input type="text" value="1,401"/>
	Earning per Share	Dividend Rate
	<input type="text" value="0.23"/>	<input type="text" value="NIL"/>
V Generic Names of Three Principal Products/Services of Company		
Item Code No (ITC Code) :	<input type="text" value="85249009.10"/>	<input type="text" value="Not Applicable"/>
Product Description: Hardware, Software & Software Development.		

For HARI BABU & ASSOCIATES
CHARTERED ACCOUNTANTS

(CH. HARI BABU)
Partner

Place : Secunderabad
Date : 29-06-2001

For and on behalf of the Board

P.M. NAIR
CHAIRMAN

R. GANESH
MANAGING DIRECTOR

RESPONSE INFORMATICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2001

PARTICULARS	YEAR ENDED 2000-01	
A. CASH FLOW FROM OPERATING ACTIVITIES:		2251372
Net Profit before Tax and Extraordinary items		2251372
Adjustments for:		
Depreciation	1048906	
Interest	486485	
Preliminary Expenses Written Off	126827	
Loss on Sale of Fixed Assets	0	
		1662218
Operating Profit before Working Capital Changes		3913590
Adjustments for:		
Investments	-9345000	
Trade and Other Receivables	-29594948	
Trade Payables	-411450	
		-39351398
Cash Generated from Operations		-35437808
Interest Paid	486485	
Dividend Paid	0	
Public Issue Expenses	1076327	
Direct Taxes Paid	668512	
		2231324
Net Cash Flow Operating Activities		-37669132
B. CASH FLOW FROM INVESTING ACTIVITIES:		-1849225
Purchase of Fixed Assets		-1849225
Sale of Fixed Assets		0
Capital Work-in-Progress		0
Net Cash used in Investing Activities		-1849225
C. CASH FLOW FROM FINANCING ACTIVITIES:		51977500
Proceeds from Shareholders Funds		51977500
Long Term Borrowing		0
Unsecured Borrowings		2614418
Repayment of Long Term Borrowings		0
Net Cash used from Financing Activities		54591918
Net increase in Cash and Cash Equivalent		15073561
Cash and Cash Equivalent as at 01.04.2000		5341957
Cash and Cash Equivalent as at 31.03.2001		20415518

For and on Behalf of the Board

Place : Hyderabad
Date : 29-06-2001

P.M. Nair
Chairman

R. Ganesh
Managing Director

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of **RESPONSE INFORMATICS LIMITED** for the period ended 31st March 2001. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Hyderabad and Kolkatta Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 29th day of June, 2001 to the members of the Company.

CH. HARI BABU & ASSOCIATES
Chartered Accountants

Place : Secunderabad
Date : 29-06-2001

(Ch. Hari Babu)
Partner