

Chairman's Speech

Good Morning Dear Shareowners,

I welcome you all with great pleasure to the 24th Annual General Meeting of your Company. Before everything else, I sincerely thank you all for your gracious presence and continued support which kept us motivated. I take this as an opportunity to discuss the performance of your Company and key highlights of the year which would shape our tomorrow.

The Directors' report, Auditors' report and Audited Accounts with notes thereon are with you for some time, I request your kind permission to take them as read.

During the concluded financial year, the Indian GDP grew at 7.6%, and the manufacturing and services sector grew by robust 9.3% and 9% respective - as declared by the Finance Ministry. The growth in manufacturing was primarily due to government's "Make in India" campaign. During the year, your company too had an opportunity to consolidate its business in both manufacturing and services. Your company's manufacturing facility was the differentiating factor with which it was successful in winning and retaining key Financial Inclusion projects from various banks; popularly known as 'Jan-Dhan Yojana'. However, continued headwinds globally restricted company's growth only to domestic markets which gets clearly reflected in company's financial performance.

For current year, Management believes that your company may continue to do well in domestic markets thanks to substantial exposure to government initiatives giving the company certain degree of revenue visibility; however, for the company to retain its growth trajectory, it hopes for improvement in business environment globally.

The challenging business environment faced by the company last year had prompted us to take critical & important decisions in order to protect interest of all the stakeholders of the company and one of those decisions was to consolidate the business around quality clients. As a result, your company today has business focusing mainly on government initiatives which helps company is getting revenue visibility and operational stability. During the year, the company was able to consolidate its Financial Inclusion Business despite facing stiff competition. Company's value proposition which includes captive manufacturing facility and the ability of providing End-to-End solutions has greatly differentiated your company from others.

As mentioned last year, certain steps that your company had taken previously has indeed created an organization which is having strong base of quality customers and a scalable model on which your company will ride into growth phase.

The company had started international operations in order to have access to vast opportunities which are being provided. These operations had faced extremely challenging times in recent past; and the situation has not changed much this year. Apart from scouting for newer geographies and penetrating deeper into existing ones; last year, your company had also initiated process to establish a common platform across all the operations across the globe which will have knowledge base of implementing projects. This will be linked to the Global Delivery Centre which will enable seamless sharing of knowledge and experience within the operations while ensuring that the 'wheel is not invented twice' which is expected to reduce implementation time of the projects. These initiatives are aimed at enhancing user experience in process of adding more value to the customer.

Coming to the financials, the company during the year has achieved a total income from operations of around Rs.111 Cr on consolidated basis and incurred a loss of around Rs. 33.40 Cr. The management believes that your company was able to face these challenges successfully and tide over difficult times keeping the worst behind us.

Having faced tough situation and withstanding the test of time, we are continually motivated and look for growth opportunities. Management has identified the following growth drivers which will put the company back on the chosen patch of growth and prosperity.

Future Growth: Management has identified the following growth drivers

A) Financial Inclusion Business: Your Company has emerged as a leader in providing End-to-End services in financial inclusion domain and has been able to secure these contracts which have tenures ranging from 3 years to 5 years which clearly provides good revenue visibility.

B) Smart Card Manufacturing: Your Company has one of largest and one of the best Smart Card Manufacturing facilities. During the year, this facility has aptly supported financial inclusion projects. In order to improve capacity utilization; the company has been looking for long term contracts and was able to win one such long term, large scale contract this year. Your company continues to have such focus on long term contracts which can directly contribute to financial performance of the company.

C) International Operations: The current size of international operations will enable the enterprise to have a high growth rate once the business environment returns to normalcy. Also, the common knowledge sharing platform will enable your company to scout for newer geographies without compromising on the delivery quality which will eventually fuel the growth.

Human Capital

Your company believes that the value of any enterprise is only as good as its Human Capital. It is very important to have your human capital updated with the latest technologies. During the year, as the company faced challenging business atmosphere and fewer growth opportunities, the period, the management thought was apt to have its human capital undergo technology advancement training, process improvement training and general management training. Management is aware that these initiatives do not yield results immediately however these activities will surely help the company stay ahead of the curve.

Directors

The affairs of your Company are being looked after by a professional Board of Directors. The Board of Directors of your Company consists of intellects from diversified industries and expertise with high experience who significantly contribute toward taking appropriate decisions.

Corporate Governance

Your Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency and accountability in all facets of its operations and in its interaction with all including Clients, Employees, Promoters, Stakeholders and Government.

Your Company has been practicing the principles of good corporate governance over the years with the aim of enhancing long-term shareholder value and protecting the interests of other stakeholders in line with international best practices. In fact our compliance practices transcend the principles laid down by Statute and the Regulatory Authorities.

Acknowledgement

Your Company is privileged to have a Board of Directors comprising men of eminence with vast experience and wisdom. I would like to place on record my sincere thanks to all the members of the Board for their wise counsel and assistance.

My thanks are also due to the shareholders of the Company, our valuable customers, well wishers, executives, officers and employees in the Company for their continued support and valuable patronage extended to the Company.

I am also grateful to the Governmental and other institutional agencies including RBI, SEBI, Stock Exchanges, Company's Bankers, Auditors etc for their valuable support. The last but not the least I profusely thank for the co-operation extended by our Registrars and Share Transfer Agents for their support and services.