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Company Registration No. 3701421 (England and Wales)

DSS INFOTECH INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

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DSS INFOTECH INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Mr R K Sachdeva Ms M Stephen
Secretary	Mr R K Sachdeva
Company number	3701421
Registered office	Conex House 148 Field End Road Eascote, Pinner Middlesex HA5 1RT
Accountants	Ashley King Ltd Conex House 148 Field End Road Eastcote, Pinner Middlesex HA5 1RT
Business address	Conex House 148 Field End Road Eascote, Pinner Middlesex HA5 1RT
Bankers	Bank of Boroda 32 City Road London EC1Y 2BD
Solicitors	Magrath & Co 52/54 Maddox Street London W1R 9PA

DSS INFOTECH INTERNATIONAL LIMITED

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DSS INFOTECH INTERNATIONAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report and financial statements for the year ended 31 March 2004.

Principal activities

The principal activity of the company was that of the provision of computer software development and support services, computer software products and other information technology related services.

Directors

The following directors have held office since 1 April 2003:

Mr R K Sachdeva
Ms M Stephen

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 March 2004	**1 April 2003**
Mr R K Sachdeva	-	-
Ms M Stephen	-	-

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

Mr R K Sachdeva
Director
29-6-04

DSS INFOTECH INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover		196,766	141,945
Cost of sales		(74,802)	(56,778)
Gross profit		121,964	85,167
Administrative expenses		(176,789)	(127,271)
Operating loss	**2**	(54,825)	(42,104)
Other interest receivable and similar income		157	239
Loss on ordinary activities before taxation		(54,668)	(41,865)
Tax on loss on ordinary activities	**3**	-	1,674
Loss on ordinary activities after taxation	**8**	(54,668)	(40,191)

DSS INFOTECH INTERNATIONAL LIMITED

BALANCE SHEET
AS AT 31 MARCH 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	4		853		1,137
Current assets					
Debtors	5	2,294		18,148	
Cash at bank and in hand		18,173		33,347	
		20,467		51,495	
Creditors: amounts falling due within one year	6	(39,562)		(16,205)	
Net current (liabilities)/assets			(19,095)		35,290
Total assets less current liabilities			(18,242)		36,427
Capital and reserves					
Called up share capital	7		69,000		69,000
Profit and loss account	8		(87,241)		(32,573)
Shareholders' funds			(18,241)		36,427

DSS INFOTECH INTERNATIONAL LIMITED

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2004

In preparing these financial statements:

(a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The directors acknowledge their responsibilities for:

  (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

  (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 29th JUNE, 2004

Mr R K Sachdeva
Director

Ms M Stephen
Director

DSS INFOTECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts have been prepared on the going concern basis on the assumption that the company will continue to be supported by its parent company for the foreseeable future. These financial statements do not therefore include any adjustments that would be required if adoption of the going concern basis was not appropriate.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% - reducing balance

2 Operating loss

	2004	2003
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	284	186

3 Taxation

	2004	2003
	£	£
Domestic current year tax		
U.K. corporation tax	-	(1,674)
Current tax charge	-	(1,674)

The company has estimated losses of £ 87,708 (2003: £ 32,820) available for carry forward against future trading profits.

4 **Tangible fixed assets**

	Plant and machinery etc
	£
Cost	
At 1 April 2003 & at 31 March 2004	1,201
Depreciation	
At 1 April 2003	64
Charge for the year	284
At 31 March 2004	348
Net book value	
At 31 March 2004	853
At 31 March 2003	1,137

5 **Debtors**

	2004	2003
	£	£
Trade debtors	1,769	15,974
Other debtors	525	2,174
	2,294	18,148

6 **Creditors: amounts falling due within one year**

	2004	2003
	£	£
Taxation and social security	3,541	9,067
Other creditors	36,021	7,138
	39,562	16,205

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

7 Share capital	2004 £	2003 £
Authorised		
100,000 Ordinary of £1 each	100,000	100,000
Allotted, called up and fully paid		
69,000 Ordinary of £1 each	69,000	69,000

8 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2003	(32,573)
Retained loss for the year	(54,668)
Balance at 31 March 2004	(87,241)

9 Control

The company is a wholly owned subsidiary of DSS Systems & Software Technologies Limited (formally known as DSS Infotech International Limited), a company incorporated in India, having its regional office at Nalin Chambers, 173 Dhole Patil Road Pune - 411001 India, with whom rests the ultimate control.

10 Related party transactions

During the year under review, the company purchased on site software development services from its parent company for £57,702 (2003 - £56,778). At the balance sheet date £34,221 (2003 - £5,438) was due to its parent company.