



MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	DIV	NA
TRA	NA	AC	✓
AGM	✓	SHI	✓
YE	✓		

8th
Annual
Report
1997-98

**ADAM
COMSOF
LIMITED**



ADAM COMSOF LIMITED

BOARD OF DIRECTORS

Shri Rajkumar C. Basantani

Shri Siddharth Razdan

Shri Hari Om Sharma

TABLE OF CONTENTS

Notice	3
Directors' Report	7
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules to Accounts	14\18
Cash Flow	21
Balance Sheet Abstract	22

AUDITORS

A. LODHA & ASSOCIATES
Chartered Accountants

SOLICITORS

Mulla & Mulla & Craigie Blunt & Caroe

BANKERS

Dena Bank

REGISTERED OFFICE

Narayan Building,
23, Lakhamshi Napoo Road,
Dadar Central Railway,
Mumbai - 400 014.

8th Annual Report 1997-98



NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the members of **ADAM COMSOF LIMITED** will be held on Tuesday, 29th December, 1998 at 1.00 p.m. at Narayan Building, 23, Lakhamshi Napoo Road, Dadar Central Railway, Mumbai 400 014 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 30th June, 1998 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. HariOm Sharma who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

BUY BACK OF SHARES:

4. To consider and if thought fit to pass with or without modification the following resolution as a "SPECIAL RESOLUTION".

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification (s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy-back, from the existing holders of shares and /or other securities giving right to subscribe for shares of the Company, on a proportionate basis and / or from the open market and / or from the lots smaller than market lots of the securities (odd lots) and / or by purchasing the securities issued to the Employees pursuant to the scheme or securities having such under lying voting rights as may hereafter be notified by the Central Govt. or any other Regulatory Authority from time to time (herein for brevity sake referred to as " the Securities") of the Company, from out of its free reserves or out of proceeds of any issue made by the Company or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be prescribed by law from time to time: provided that the aggregate of the securities so bought back shall not exceed 15 % of the respective securities of the Company.

" RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such act and things and deal with all such matters and take all such steps in this regard as it may, in absolute discretion, deem necessary, fit or proper."

AMENDMENTS TO ARTICLES OF ASSOCIATION

5. To consider and, if thought fit to pass, with or without modification, the following resolution as a "SPECIAL RESOLUTION":-

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, if any, the Articles of Association of the Company be altered as follows :-

- a. Definition - In Article 2 (b) for the definition of 'member' below definition of month :-
'Member' means the duly registered holder of the shares of the Company from time to time including the subscribers to the Memorandum of Association of the Company and will also include the beneficial owners.

- b. The following shall be added as Article 2(c) :-

Social Responsibilities of the Company :

The Company shall endeavor to promote the growth of the national economy through



ADAM COMSOF LIMITED

NOTICE

(Continue...)

increased productivity, effective utilisation of material and manpower resources, continued application of modern scientific and managerial techniques in keeping with the national aspirations and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

c. After Article 4 add the following Article and heading :

4A. Buy-back of Shares

Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law.

d. After Article 14 (c) add the following Article and heading :

Dematerialisation of Securities :

14(d) Definitions

- For the purpose of this Article :- 'Beneficial Owner' means a person or persons whose name is recorded as such with a depository; 'SEBI' means the Securities & Exchange Board of India; 'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and 'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities :

- Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Option for Investors:

- Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his Security with a depository, the Company shall intimate to such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form ;

- All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187V and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners:

- Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of

8th Annual Report 1997-98

the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents :

5. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities :

6. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with in a depository :

7. Notwithstanding anything in the Act, or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive number of Securities held in a depository :

1. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of beneficial owners :

2. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

NOTES :

- a) Explanatory Statement under section 173 (2) of the Companies Act, 1956 in respect of Special Business set above is annexed.
- b) 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 .
- c) The proxies in order to be effective, should be deposited with the Company not less than 48 hours before the time fixed for the commencement of meeting.
- d) Register of members will remain closed from 28th December, 1998 to 29th December, 1998 both days inclusive, for the purpose of Annual General Meeting.
- e) As a measure of economy, copies of the Annual Report and Accounts will not be distributed at the meeting, members are, therefore, requested to bring their copies to the meeting.
- f) Members are requested to produce the attendance slip, duly signed , sent along with Annual Report and Accounts, for admission to the meeting hall.
- g) Members who are holding shares in identical order of names in more than one folio are requested to write to the Company to enable them to consolidate their holding in one folio.

**BY THE ORDER OF THE BOARD
For ADAM COMSOF LTD.**

Sd/-
**(RAJKUMAR C. BASANTANI)
DIRECTOR**

Mumbai

Date : 10th November, 1998

**NOTICE**

(Continue...)

ADAM COMSOF LIMITED

NOTICE

(Continue...)

EXPLANATORY STATEMENT :

(Under Section 173(2) of the Companies Act, 1956).

Item Nos.4 : BUY BACK OF SHARES

Buy back of own shares or other securities convertible into Equity Shares by the Companies is Presently allowed by the ordinance 1998 passed on 31.10.98.

It is proposed to buy back not exceeding 15% of total voting powers relating to the shares or other securities giving right to subscribe for shares of the Company, from the existing security holders on proportionate basis and / or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and / or by purchasing the securities issued to the employees of the Company pursuant to the scheme of stock option, subject to necessary enactment in this regard.

The buy back of shares as aforesaid would entail investing of an amount which would not be less than the market value of the shares or other securities giving right to subscribe for shares of the Company and shall be met out of the free reserves and / or the securities premium account and/or out of the proceeds of an issue specifically made for the purpose or from other sources as may be permitted by law. The shares so bought back shall be dealt with as per the then prevailing law / regulations.

The Board is of the opinion that it will be in the best interests of the Company if shareholders approve the said Resolution, permitting such buy back, so that the Company will be able to implement this Resolution once the law is amended.

Item no. 5 : AMENDMENTS TO ARTICLES OF ASSOCIATION

In order to bring the Company's Articles of Association in line with the Depositories Act, 1996 and the amendments made to the Companies Act, 1956 upon introduction of the Depository System, certain changes are required to be made in the Articles of Association of the Company as specified in Item no.5 of the annexed Notice.

The Articles of Association is proposed to be altered by the addition of Article be prescribed 14 (d) to permit the Company to purchase its own securities on such terms and conditions and in the manner as may be prescribed by the law. Item no.5 is intended for this purpose.

The Resolution if approved, will be operative and given effect to from the applicable as may prescribed in this regard.

Your Directors recommend the resolution for approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

By THE ORDER OF THE BOARD
For ADAM COMSOF LTD

Sd/-
(RAJKUMAR C.BASANTANI)
DIRECTOR

Regd office:
Narayan Bldg.,
23, L.N.Road
Dadar (E),
Mumbai - 400014.

Date : 10th November, 1998

8th Annual Report 1997-98



DIRECTORS' REPORT

To

The Members of ADAM COMSOF LIMITED

Your Directors have pleasure in presenting the 8th Annual Report along with the audited Accounts for the period ended 30th June 1998.

FINANCIAL RESULTS :

Particulars	(Rs. in Lacs)	
	As at 30-06-98 (12 Months)	As at 30-06-97 (15 Months)
Turnover	884.12	490.30
Gross Profit for the year	91.25	107.31
Interest /Financial exp.	0.17	0.71
Depreciation	10.66	14.40
Provision for Tax	0.00	0.00
Profit After Tax	80.42	92.20
Less: Prior Year Adjustment	8.58	-
Less: Income Tax A/Y 94-95	4.70	-
Total	67.14	92.20
Balance brought forward from Previous	62.37	20.17
Total	129.51	112.37
Appropriations :		
General Reserve	-	50.00
Balance Carried Forward to Balance Sheet	129.51	62.37
	<u>129.51</u>	<u>112.37</u>

PERFORMANCE :

The performance of the Company can be said to be satisfactory considering the overall global economic scenario. However all our efforts are being made to improve performance further both on the Turnover particularly export front and profitability. Work on the Company's software development facility is in full swing and a sum approximately Rs.70 lacs has been spent on till date. The same is expected to be completed during the current year.

DEMATERIALISATION OF SHARES

As Members had applied the NSDL for dematerialisation of its 7500000 equity shares of the Company and it is pleasant to inform that the Company has got the approval from NSDL and other authorities for dematerialisation of shares of the Company and the same is activated with effect from 6th November, 1998.

DIVIDEND :

The Directors regret their inability to recommend dividend in view of the need for conserving resources.

DIRECTORS :

Mr. Hariom Sharma, Director being liable for retirement by rotation and being eligible offers himself for reappointment.

FIXED DEPOSITS :

The Company has not accepted any fixed deposit within the meaning of Section 58 A of