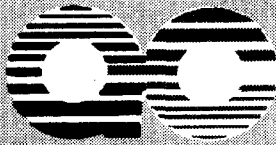




9th
Annual
Report
1998-99

ADAM
COMSOF
LIMITED



ADAM COMSOP LIMITED

BOARD OF DIRECTORS

Shri Rajkumar C. Basantani

Shri Vijay Jain

Shri Hari Om Sharma

TABLE OF CONTENTS

Notice	3
Directors' Report	15
Auditors' Report	17
Balance Sheet	20
Profit & Loss Account	21
Schedules to Accounts	22/28
Cash Flow	29
Balance Sheet Abstract	30

AUDITORS

A. LODHA & ASSOCIATES
Chartered Accountants

SOLICITORS

Mulla & Mulla & Craigie Blunt & Caroe

BANKERS

The Vysya Bank Limited

REGISTERED OFFICE

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

9th Annual Report 1998-99



NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of ADAM COMSOF LIMITED, will be held at the Registered office at Narayan Bldg., 23, L.N.Road, Dadar (E), Mumbai - 400014 on Thursday 30th December, 1999 at 11.00 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1999 and the Profit and Loss Account for the year ended on that date, together with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. Rajkumar C. Basantani who retires by rotation and being eligible offers himself for reappointment.
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 a **ORDINARY RESOLUTION**

RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Vijay Jain, who was appointed by the Board of Directors as an additional Director of the Company and who holds office up to the date of the ensuing General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member proposing the candidature of Mr. Vijay Jain, for the office of the Director, he be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification thereto or any re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby altered in the following manner :

- (a) The following new Articles 67, 67-A and 67-B, be inserted after the present Article 66 :

67. Nomination of Shares and /or Debentures:

- (1) Every holder of shares in or debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death.
- (2) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the shares or debentures where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholder or the debenture holder concerned, or on the death of the joint holders become entitled to all the right in relation to such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the Act.
- (4) Where the nominee is a minor, the holder of the shares or debentures concerned, can make the nomination to appoint in the prescribed manner under the Act, any person to become entitled to the shares or debentures concerned in the event of his death during the minority.



NOTICE

(Continue...)

ADAM COMSOP LIMITED

67-A. Transmission in case of Nomination:

- 1) Notwithstanding anything contained in Article 67, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, 1956, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided to elect either –
 - a. to be registered himself as holder of the share or debenture as the case may be; or
 - b. to make such transfer of the share or debenture as the case may be as the deceased shareholder or debenture holder as the case may be could have made.
- 2) If the person being a nominee, so entitled, elects to be registered as holder of the share or debenture himself as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him stating that the nominee concerned so elects and such notice shall be accompanied with the death certificate of the deceased shareholder/debenture holder as the case may be.
- 3) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were signed by that shareholder or debenture holder, as the case may be.
- 4) A person being nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company.

Provided that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payments of all dividends, bonuses, or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

67-B . Nomination for Fixed Deposits:

A depositor may, at any time, make a nomination and the provisions of sections 109A and 109B shall, as far as may be, apply to the nominations made pursuant to the provisions of Section 58A(11) of the Act.

(b) The following new Articles 68 and 68-A, be inserted after the present Article 67-B :

68. Inter Corporate Loans.

The Company shall

- (a) make any loan to any other body corporate;
- (b) give any guarantee, or provide security, in connection with a loan made by any other person to, or to any other person by, any body corporate, in accordance with the provisions of Section 372A of the Act.

68-A. Inter Corporate Investments.

The Company shall acquire, by way of subscription, purchase or otherwise the securities of any other body corporate in accordance with the provisions of Section 372A of the Act.

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

"RESOLVED THAT pursuant to sub section (1)(d) of section 293 of the Companies Act, 1956 and other enabling provisions, if any, of the said Act, and subject to the approval of such authority, institution, government department of the Government, whether within or outside India as may be required, the Board of Directors of the Company be and it is hereby authorised and shall be deemed to have always been so authorised to raise or borrow,

9th Annual Report 1998-99

for and on behalf of the Company, any sum or sums of money from time to time, from State or Central Government or one or more bodies corporate, or Banks or Financial Institutions or Overseas Corporate bodies, or Foreign Financial Institution, or any other agency, either domestic or foreign or the public, either Resident/Non Resident, by way of cash credit, advances, deposits or bridge loans, Term Loans, Foreign Currency loan, FCNR(B) loan or any other loans, either in Indian currency or in foreign currency, whether unsecured or secured by mortgage, charge, hypothecation or pledge of the Company's assets and properties, whether movable and/or immovable or stock in trade (including book debts, bills, raw materials, stores and spare parts and components in stock or in transit) and debts and advances notwithstanding that the sum or sums so borrowed together with the moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed in the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but so that the total amount upto which the moneys may be so borrowed shall not at any one time exceed Rs. 500 crores (Rupees Five Hundred crores only)"

MORTGAGE / HYPOTHECATION OF COMPANY'S PROPERTIES :

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION** :-

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to the creation by the Board of Directors of the Company of such mortgage(s), charge(s) and hypothecation(s) in addition to the existing mortgage(s), charge(s) and hypothecation(s) created by the Company as the Board may direct, on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of all or any of the financial institutions/banks/any other investing agencies in connection with availing of term loans, Foreign Currency loans, as the case may be from any of the financial institutions, banks, any other investing agencies or any other person, bodies corporate to secure rupee, foreign currency loan(s) the value of which, not to exceed Rs. 500 crores (Rupees Five Hundred crores only) together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premium on pre-payment, or on redemption, costs, charges, expenses and all other moneys payable by the Company to the concerned lenders or any of them under the Agreement(s) / Arrangement(s) entered into / to be entered into by the Company in respect of the said loan(s), Foreign Currency loan(s)".

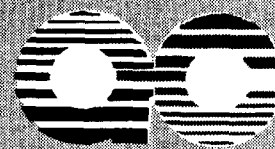
"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to finalise with the concerned Financial Institutions/ Banks or other investing agencies, the documents for creating the mortgages/charges/Hypothecation and accepting or making any alterations, changes, variations to or in the terms and conditions and to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution".

GUARANTEE / SECURITY FOR JOINT VENTURE :

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company, be and are hereby authorised to give any guarantee or provide any security in connection with a loan or loans made by any other person to, or to any other person by, any body corporate, provided that the aggregate value of such guarantee(s) given or securities provided and outstanding shall not exceed Rs. 500 crores at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to determine the amount and conditions of such guarantee or security and to



NOTICE

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ADAM COMSOF LIMITED

NOTICE

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decide all or any other matters arising out of or incidental thereto and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

PREFERENTIAL ALLOTMENT TO PROMOTERS/FINANCIAL INSTITUTIONS/MUTUAL FUNDS/BANKS/FOREIGN INSTITUTIONAL INVESTORS / BODIES CORPORATE.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

RESOLVED THAT Pursuant to Section 81 (1-A) of the Companies Act, 1956 and subject to any other provisions, if applicable of the Act, and guidelines, classification, circulars issued by the Securities & Exchange Board of India, hereinafter referred to as "SEBI", Stock exchange or any Regulatory Authority for the time being in force and subject to such conditions as may be imposed by such regulatory authorities in giving such sanction the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any committee of Directors which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this resolution) be and are hereby authorised to allot a maximum of Ten Million Equity Shares of Rs. 10/- each to the **PROMOTERS/FINANCIAL INSTITUTIONS/MUTUAL FUNDS/BANKS/FOREIGN INSTITUTIONAL INVESTORS / BODIES CORPORATES** with or without warrants to be issued at a price to be determined in accordance with the prevailing SEBI Guidelines".

"RESOLVED FURTHER THAT Mr. R. C. Basantani, Director be and is hereby authorised to do all such acts, deeds, execute such documents, furnish such undertaking as may be required for the purpose of giving effect to this resolution in the best interests of the Company".

ISSUE OF FURTHER SHARES

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all norms, guidelines, regulations in force and statutory approvals as may be necessary, consents, permissions and/or sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange(s) and all other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by them in granting any such approval, consents, permission or sanctions, (hereinafter referred to as "the Requisite Approvals") , the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee of Directors which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this resolution) be authorised on behalf of the Company, to issue and allot, in the course of National / International offerings on private placement basis, rights basis or otherwise in Indian / one or more foreign markets, Equity Shares, Cumulative or Non-Cumulative Preference Shares, Debentures, Bonds, Debt Instruments and/or securities convertible into Equity Shares at the option of the Company and/or the holders of the securities linked to Equity Shares and/or Non-convertible securities and/or securities with or without detachable/non-detachable warrants/notes with a right exercisable by the warrants/notes holder to subscribe for Equity Shares at such price and manner and during such period as the Board may decide, and/or any instruments or securities representing Equity Shares or convertible securities either through Global Depository Receipt Mechanism/American Depository Receipt Mechanism/Eurobonds/notes etc. or by an issue to or by private placement with Foreign/ Indian investor(s) including institutional investors, banks, Non-Resident Indians, and Overseas Corporate Bodies, and/or Foreign Institutional Investors, Mutual funds, whether members of the Company or not, subject to the Memorandum of Association of the Company through prospectus and/or offering letter or circular and/or private placement basis for an amount (inclusive of such premium as may be determined) not exceeding Rs.

9th Annual Report 1998-99

150 crores or equivalent thereof in any other currency(ies), such issue and allotment to be made at such time or times, in such trench(s), at such price or prices (including at a discount or premium to market price or prices) and in such manner as are in conformity with any guidelines or directions or norms, statutory or otherwise and as may be finalised by the Board, in consultation with the Lead Managers and/or Underwriters and/or other advisors, and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the securities may have all or any terms or combination of terms in accordance with Indian/International norms/practice including but not limited to terms and conditions in relation to payment of interest, additional interest, premium on redemption, pre-payment and any other debt service payment whatsoever, besides terms as to security if any, to be created for any of the securities with such ranking as the Board may determine and including terms for issue of additional Equity Shares or variation of the conversion price of the security during the duration of the securities."

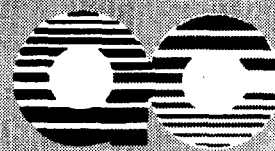
"RESOLVED FURTHER THAT the Board be authorised to enter into and execute all such arrangements with one or more, Lead Manager(s), Manager(s), Banker(s), Broker(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee(s) and all such agencies as may be involved or concerned in such offering of securities and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such securities in one or more International Stock Exchange and/or The National Stock Exchange/Stock Exchanges in India."

"RESOLVED FURTHER THAT the Company and/or an agency or body authorised by the Board may issue Depository Receipts representing the underlying Equity Shares in the capital of the Company or such other securities in registered or bearer form with such features and attributes as are prevalent in Indian/International Capital Markets for instruments of this nature and providing for the tradeability or free transferability thereof as per Indian/International norms, practices and regulations and under the forms and practices prevalent in Indian/International Markets."

"RESOLVED FURTHER THAT the Board be authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted directly or upon conversion of any securities or as may be necessary in accordance with the terms of offering all such shares ranking 'pari passu' with the existing Equity Shares of the Company in all respects, excepting the right to dividend as may be declared in the financial year in which such Equity Shares are issued shall be in proportion to the amount paid-up on such shares and pro-rata for the period during which such amount paid-up thereon."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the terms of payment, issue price, premium/discount, interest on Debentures and/or Bonds and/or other securities."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be authorised on behalf of the Company to accept and make, in the interest of the Company, all such modifications, and alterations to the terms and conditions concerning any aspect of the issue including increases or decreases in the aggregate value of the issue, retention of over-subscription, rate of premium/discount, interest or other charges payable or any other matters as may be considered necessary or expedient and/or as may be specified in the requisite approvals and to take all such actions as may be necessary or desirable to effect such modifications and alterations and to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including without limitation the entering into of underwriting, marketing, depository and custodian/trustees/agents arrangements with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares/Securities as it may in its absolute discretion deem fit."



NOTICE

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NOTICE

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ADAM COMSOF LIMITED

ISSUE OF RIGHTS SHARES TO THE MEMBERS OF THE COMPANY

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT in terms of Section 81 (1) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of articles of association of the Company and subject to the consent of the Securities and Exchange Board of India (SEBI) and all other concerned authorities and departments if and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and such other approvals, permissions and modifications as may be prescribed in granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company at its sole discretion, the consent of the Company be and is hereby accorded to the Board of Directors, to offer such numbers of Equity shares of Rs.10/- each on rights basis to the existing members of the Company whose names appear in the Members Register on such date, at a such Premium and in such ratio as may be determined by the Board, with a right to renounce all or any of the shares so offered to them in favour of any other person or persons or any other persons residing outside India with the permission of relevant approving authorities.

RESOLVED FURTHER THAT the necessary intimation be given to the Stock Exchanges, where the Company's shares are listed.

"RESOLVED FURTHER THAT the Board be authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted as may be necessary in accordance with the terms of offering all such shares ranking 'pari passu' with the existing Equity Shares of the Company in all respects, excepting the right to dividend as may be declared in the financial year in which such Equity Shares are issued shall be in proportion to the amount paid-up on such shares and pro-rata for the period during which such amount paid-up thereon."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the terms of payment, issue price, premium/discount, interest on Debentures and/or Bonds and/or other securities."

"RESOLVED FURTHER THAT the Board be authorised to enter into and execute all such arrangements with one or more, Lead Manager(s), the Registrars and Transfer Agents, Advisors Manager(s), Banker(s), Broker(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee(s) and all such agencies as may be involved or concerned in such offering of securities and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such securities in one or more International Stock Exchange and/or The National Stock Exchange/Stock Exchanges in India."

APPOINTMENT OF MANAGING DIRECTOR

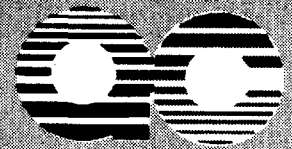
12. To consider and if thought fit to pass, with or without modification, the following resolution as a **Special Resolution** :

RESOLVED THAT subject to the provisions of sections 269, 314 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as 'the Act') and in accordance with the schedule XIII. of the Act in force at present, the appointment of **Mr. Sunil Nath**, as Managing Director for a term of 5 years commencing from 1st December, 1999, on the following terms and conditions, be and is hereby ratified, confirmed and approved.

The Managing Director shall also be eligible to the following prerequisites and benefits, which shall not be included in the computation of ceiling on remuneration specified in Schedule XIII of the Act.

- a) Company's contribution to Provident Fund and Superannuation Fund, if and when introduced in the Company, to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

9th Annual Report 1998-99



- b) Gratuity payable at half a month's salary for each completed year's service.
- c) Use of the Company's car with chauffeur for official use.
- d) Earned leave on full pay and perquisites, not exceeding one month's leave for every eleven month's service. Leave not availed of due to the exigences of the Company's business can be accumulated and / or encashed, as per the Rules of the Company.

COMMISSION :

The appointee shall, in addition to the salary and perquisites, be paid such amount by way of Commission as may be fixed by the Board, after the profits of the Company are ascertained in each year, so however that the overall remuneration for the Managerial Personnel does not exceed the limits prescribed under Sections 198 and 309 of the Act and Schedule XIII, as may be applicable from time to time.

SITTING FEES :

The appointee shall also be entitled to receive fees for attendance at meetings of the Board or Committees thereof, within the overall limit on the Act.

SALARY :

Rs.40,000/- (Rupees Forty Thousand only) per month with such increments as may be fixed by the Board from time to time, subject to ceiling of overall managerial remuneration, as provided under Sections 198 and 309 of the Act.

PERQUISITES :

a) *Housing :*

Rent-free residential accommodation or House Rent Allowance upto a maximum of 60 % of the salary over and above 10% to be payable by the appointee.

b) *Medical Reimbursement :*

Reimbursement of Medical Expense incurred for domiciliary treatment for self and family up to a maximum of one month's Salary in Financial Year or three months Salary over a period of three years. Hospitalisation Charges for major sickness for self and family to be reimbursed in addition to domiciliary treatment.

c) *Leave Travel Concession :*

For self and family once in year incurred, as per the Rule of the Company.

d) *Club Membership(s) :*

Amount payable to Club (s)

e) *Personal Accident Insurance :*

Premium payable by the Company.

f) *Reimbursement of Gas, Water & Electricity Charges :*

At Actuals.

MINIMUM REMUNERATION :

In the event of loss or inadequacy of profit in any Financial Year, the Managing Director be paid remuneration and be granted the perquisites, as per the provisions contained in Schedule XIII or any statutory modification or re-enactment thereof from time to time.

RESOLVED FURTHER THAT the Board of Director of the Company, be and is hereby authorised to revise from time to time during the term of the appointment of **Mr. Sunil Nath**, as Managing Director, the remuneration payable to him as Managing Director, subject to the ceiling limits laid down as may be laid down in Sections 198, 269, Schedule XIII and other applicable provision of the Act, or any modification or re-enactment thereof, without any further approval of the members in General Meeting.

NOTICE

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