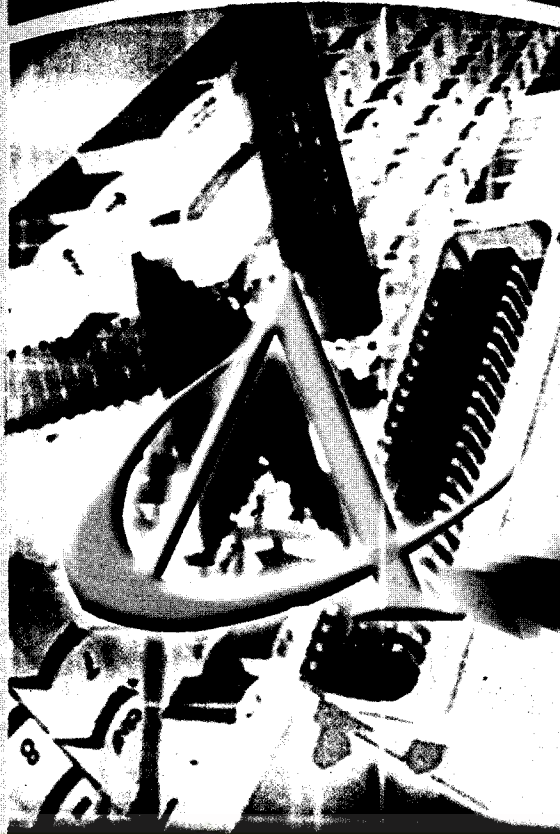


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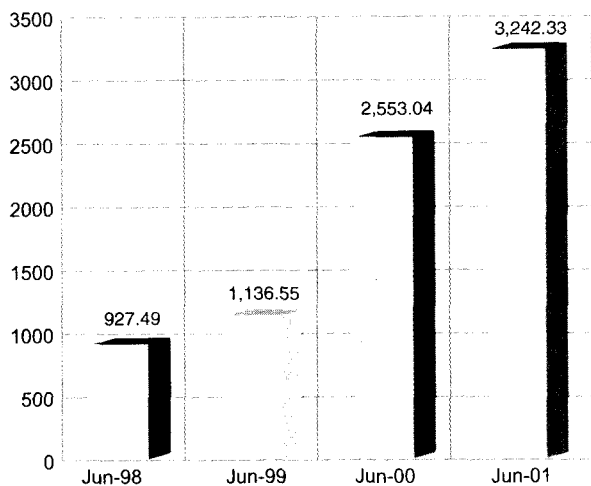
Forum Member

Report Junction



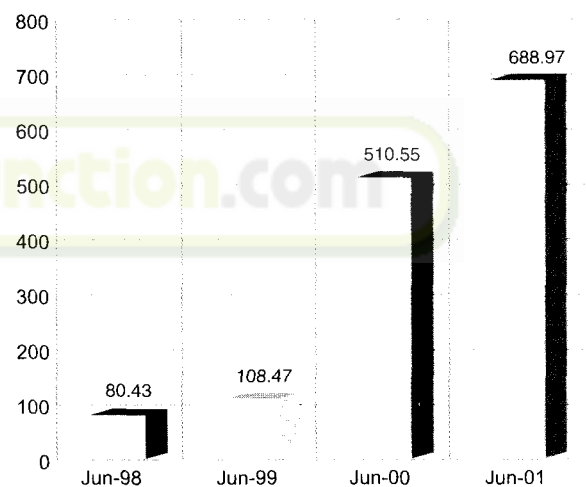
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PERFORMANCE OF THE COMPANY AT A GLANCE

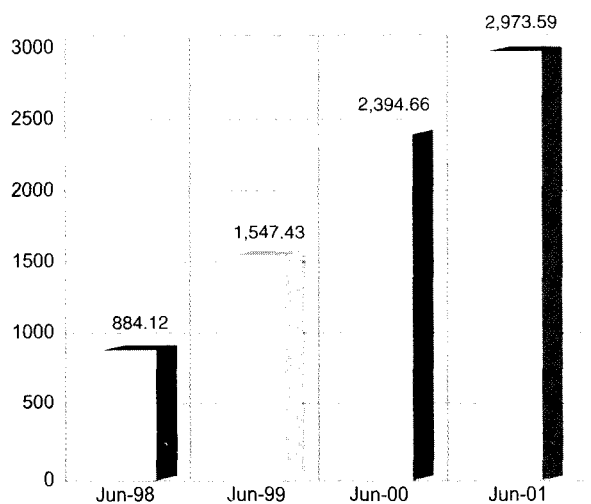


Net Worth

Profit After Tax



Turnover



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DAMCO SOF LIMITED

11TH ANNUAL REPORT 2000-2001

4151457
4151450

BOARD OF DIRECTORS

Shri. Rajkumar C. Basantani - Chairman
Shri. Vijay Jain
Shri. Haresh Teckchandani
Dr. Swamy Pravin Karthikswamy

ADVOCATES & SOLICITORS

M/s. M.V.KINI & CO.,
6th Floor, Savla Chambers, 40 C.P.Street,
Fort, Mumbai – 400001.

BANKERS

The Vysya Bank Limited

COMPANY SECRETARY

Ms. Radhika Venkatesh

AUDITORS

M/s. Sunita Narang
Chartered Accountants

REGISTERED & CORPORATE OFFICE

Narayan Building,
23, Lakhamshi Napoo Road,
Dadar(East), Mumbai 400 014.

11TH ANNUAL GENERAL MEETING

Wednesday, 12th December, 2001 at
the Registered Office of the Company at
Narayan Bldg,
23, Lakhamshi Napoo Road,
Dadar (E), Mumbai 400 014
at 10.30.a.m.



ENCLOSURES

Attendance Slip & Proxy Form

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ADAM COMSOF LIMITED

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NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of Adam Comsof Limited, will be held on Wednesday the 12th day of December 2001, at the Registered Office at Narayan Building, 23, L.N. Road, Dadar East, Mumbai 400 014 at 10.30 A.M. to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet, as at June 30th, 2001, and the Profit and Loss Account, for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director, in place of Dr. Swamy Pravin Karthikswamy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint, M/s. Sunita Narang Chartered Accountant, the retiring auditor, as statutory auditor of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix the remuneration.



SPECIAL BUSINESS :

4. Appointment of Director

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

"RESOLVED THAT in accordance with the provisions of Section 257 of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 1956, read with Article 37 of Articles of Association of the Company Mr. Haresh R. Teckchandani who was appointed on 18th January, 2001 by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act 1956 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith Rs.500/- (Five Hundred only) towards deposit, from a Member proposing the candidature of Mr. Haresh R. Teckchandani, for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. Issue of Redeemable Preference Shares :

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 Sections 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and subject to the consent of all concerned authorities, if and to the extent necessary and 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 and/or a duly authorised Committee thereof for the time being exercising the power conferred by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to offer/ issue/allot, in the course of domestic and/or international offering, redeemable preference shares of the face value of Rs. 100 each of an aggregate nominal amount not exceeding Rs. 100 crores (Rupees One Hundred Crores only), to be subscribed, by any person or persons, whether or not shareholders of the Company, (including one or more of the members, promoters, debenture holders, employees, financial institutions, banks, mutual funds, foreign investors, non resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Multilateral Agencies, Venture Capital Fund, Foreign Financial Institutions, Bodies Corporate, Companies, private or public and other entities, whether through public issue, rights issue, private placement, or otherwise, in one or more modes or combinations thereof and in one or more tranches and on such terms and conditions (including the rate of dividend, amount of premium, if any, on redemption, redemption period, manner of redemption and matters incidental thereto) as the Board may in its absolute discretion decide;

RESOLVED FURTHER THAT such of these Preference Shares to be issued as are not subscribed may be disposed of by the Board to

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DAMICO SOF LIMITED

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such persons and in such manner and on such terms as the Board in its absolute discretion think most beneficial to the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit."

6. Issue of Right Shares to the Existing Members of the Company

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 the 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 any, 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 a rights basis to the existing members of the Company whose names appear in the Members' Register on such date, at 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 Exchange Mumbai, The Stock Exchange, Ahmedabad, The Calcutta Stock Exchange Association Ltd., and The Cochin Stock Exchange Ltd where the Company's shares are enlisted, of the said record date 42 days in advance.

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 offer of all such shares ranking 'pari passu' with the existing Equity Shares of the Company in all respects including right to dividend (as per recent SEBI guidelines) or 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 is 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.

7. Mortgage/Hypothecation of the Company's Property

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



for a financial institution, bank or 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. 600 crores (Rupees Six 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) etc ”.

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/Hypothecations 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”.

8. Borrowing Powers to the Board

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 is hereby authorised and shall be deemed to have always been so authorised to raise or borrow, for and on behalf of the Company, any sum or sums of monies 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, other Financial Institutions, or any 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 monies, 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. 600 crores (Rupees Six Hundred crores only)”

9. Providing Guarantee

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

RESOLVED THAT pursuant to the provisions of the section 372 A of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to give any guarantee or provide any security in connection with the loans made by any other person to or to any other person by any body corporate up to Rs.100 Crores provided that the aggregate of the guarantees or securities provided by the Company shall not exceed the sum of Rs.150 Crores at any one time.

By Order of the Board
For Adam Comsof Limited

Rajkumar Basantani
Director

Place : Mumbai
Date : 12th November, 2001

Registered Office :

Narayan Building,
23, Lakhamshi Napoo Road,
Dadar (E), Mumbai 400 014



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NOTES:

1. A member entitled to attend and vote, is entitled to appoint a proxy, to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy, should however be deposited at the Registered Office of the Company, not less than 48 hours, before the commencement of the meeting.
2. Members/Proxies should fill the attendance slip for attending the meeting.
3. Members who hold their shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company, during office hours on all working days, except Saturdays and holidays, between 11 a.m. and 1 p.m., upto the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books will remain closed from Thursday 6th December, 2001 to Wednesday 12th December, 2001 (both days inclusive).
6. An explanatory statement under Section 173(2) of the Companies Act, 1956, in respect of item 4 to 9 to be transacted at the meeting is appended hereto.
7. Share transfer documents and all correspondence relating thereto, should be addressed to the Company, M/s. ADAM COMSOF LIMITED, Narayan Building, 23, L.N. Road, Dadar (E), Mumbai 400 014.
8. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agents of the Company, at the above address.
9. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agents of the Company enclosing their share certificates to enable them to consolidate their shareholding in one folio.
10. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company atleast seven working days prior to the meeting, so that the required information can be made available at the meeting.
11. In all correspondence with the Company, members are requested to quote their account/folio number and in case their shares are held in dematerialised form they must quote their client ID and their DP ID numbers.
12. Investors/shareholders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and the share certificates are not received from their DPs by the Company/Registrar within a period of 30 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected/ cancelled. This step is being taken on the advise of National Securities Depository Limited (NSDL) so that no demat request remains pending beyond a period of 15 days. Upon rejection/cancellation of the DRN, a fresh DRF has to be forwarded along with the share certificate by the DPs to the Company/Registrar. This note is only to caution investors/shareholders that they should ensure that their DPs do not delay in sending the DRF and share certificates to the Company/Registrar after generating the DRN.
13. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to individual holding shares in the Company. The Nomination Form – 2B prescribed by the Government, can be obtained from the Company.



EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

Mr. Haresh Teckchandani was appointed by the Board of Directors as an Additional Director of the Company at its meeting held on 18th January 2001 with effect from 18th January 2001 pursuant to Section 260 of the Companies Act, 1956. Mr. Haresh Teckchandani will hold office as an Additional Director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a Deposit of Rs.500/- proposing the candidature of Mr. Haresh Teckchandani for office of the Director of the Company under the provision of Section 257 of the Companies Act, 1956.

Mr. Haresh Teckchandani has rich experience in banking, exports, purchases, finance and overall administration. Taking into consideration his 30 years of experience in the field of banking, finance, exports and general administration and related areas, the Board of Directors in the said meeting on 18th January, 2001 appointed him as an additional Director of the Company.

None of the Directors except Mr. Haresh Teckchandani is interested in the resolution.

ITEM NO. 5

The Company is seeking to make large forays into the WAP Enabled Services and E-Commerce business sector and is proposing to take project of computerisation of government offices, particularly Stamp offices of various State Governments.

The Company is also negotiating with various other local bodies in India, for Computerisation of government offices. The Company will be required to make significantly large investments in each of these projects, which are proposed to be set up.

In evaluating and deciding upon these investment opportunities, it will be necessary to consider various financing options, with a view to reduce the overall cost of capital. Keeping in view the foregoing and also for general corporate purposes, including normal capital expenditure, working capital requirements, strategic investments, any

mergers, amalgamations, acquisitions, reconstructions, arrangements or any other reorganisation, as the Board may decide. The Board of Directors consider that it would become necessary to raise financial resources, at appropriate times, by issuing preference shares in the course of domestic/international offerings, to such persons and in such manner, as stated in the resolution. The Company if necessary, in consultation with appropriate authorities and advisors, will fix at the relevant time, the detailed terms of the issue of Preference Shares, including the price of the issue, rate of dividend, period of redemption etc.

The consent of the shareholders is being sought, to enable the Company, for issuing further share capital in the manner set out at Item No. 5 of the notice, pursuant to the provisions of Sections 80 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreements executed by the Company with the various stock exchanges where the shares of the Company are listed.

The said resolution is an enabling resolution, conferring authority on the Board, to cover all contingencies and corporate requirements. The Directors recommend the resolution, for the approval of the shareholders. All Directors of the Company, may be deemed to be concerned or interested to the extent that they may be entitled to the shares that may be offered to them on rights basis or otherwise and applied for and allotted to them.

ITEM NO. 6

Section 81 of the Companies Act, 1956, provides, inter alia, that whenever it is proposed to increase the subscribed capital of Company by the allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in the said section unless the Shareholders in General Meeting decide otherwise. The consent of the Shareholders is, therefore, sought to authorise the Board of Directors to issue the shares in the manner set out in the resolution No. 6.

The Board recommends the resolution for acceptance by the members.

Mr. R. C. Basantani, Director of the Company may be considered as interested in this Resolution to



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the extent of shares that may be offered to the Promoters, issued or allocated to each one of them.

ITEM NO. 7

To meet the capital expenditure in connection with the expansion & diversification in above mentioned activities and also to meet the increased working capital needs, the Company proposes to avail of necessary financial assistance in the coming years up to an equivalent aggregate value of Rs.600 Crores from financial institutions/banks/other lending agencies by way of Loans (including Foreign Currency Loans) as set out at item No. 7 of the notice.

To secure such borrowings the company may be required to mortgage/charge/hypothecate the assets and properties of the Company, both present and future, as may be required by the Financial Institutions/Banks and other lenders.

As the documents to be executed between the company and Financial Institutions/Banks/Lenders of the Loans may contain the power to take over the management of the Company in certain events, it is necessary for the members to pass the resolution under Section 293(1)(a) of the Companies Act, 1956, before the creation of the Mortgages/Charges/Hypothecation in favour of the lenders.

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.

ITEM NO. 8

Section 293(1)(d) of the Companies Act, 1956, stipulates that the Board of Directors of a Company can not borrow money (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the Company's paid up capital and free reserves (not set apart for any specific purposes) without the consent of the shareholders.

In order to fund the Company's expansion and diversification activities it may be necessary to borrow loans, External Commercial Borrowings etc. to meet the funding requirement.

hence, it is proposed to raise the borrowing limit to Rs. 600 Crores from Financial Institutions, Banks and other lending agencies. The resolution set out at item no. 8 of the notice is put forth for consideration of the members as an ordinary resolution pursuant to Section 293(1)(d) of the Companies Act, 1956 as borrowings of Rs.600 Crores exceed the aggregate of the paid-up capital and free reserves of the Company.

Your Directors recommend the resolution for approval.

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

ITEM NO. 9

The members are aware that the Company proposes to diversify in the Computerisation of Government offices and other Ventures abroad such as incorporating subsidiary Company abroad and takeover or amalgamation or Merger, which invariably requires Joint Ventures / Collaborations between one or more partners.

A specific resolution as to the amount and exact nature of guarantee shall be passed at an appropriate time. Therefore this resolution is being passed as an enabling resolution.

Your Directors recommend the resolution for approval.

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

By Order of the Board
For Adam Comsof Limited

Rajkumar Basantani
Director

Place : Mumbai
Date : 12th November, 2001

Registered Office :

Narayan Building,
23, Lakhamshi Napoo Road,
Dadar (E), Mumbai 400 014



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11TH ANNUAL REPORT 2000-2001

DIRECTORS REPORT

To,

The Members,

Your Directors are pleased to present the 11th Annual Report, together with the audited accounts of the Company, for the year ended 30th June, 2001.

FINANCIAL RESULTS :

	(Rs. in lacs)	
	2000-2001	1999-2000
GROSS INCOME :		
Exports	—	273.91
Domestic	2973.59	2120.75
Other Income	22.49	10.63
TOTAL	2996.08	2405.29

OPERATING RESULTS :

Profit Before Tax	743.96	553.05
Provision for Taxation	55.00	42.50
Net Profit After Tax	688.96	510.55
Less : Prior Year Adjustments	—	(1.38)
Add : (Short)/Excess Tax Provision of Earlier Years	(0.05)	6.97
Balance Brought forward from Previous Year	754.13	237.99
Balance Available for Appropriation	1443.04	754.13

APPROPRIATION :

Transfer to General Reserve	—	—
Balance Carried Forward	1443.04	754.13
	1443.04	754.13

KEY RATIOS :

The following ratios appropriately reflect, the financial performance and position of your Company :-

Particulars	F.Y. 2000-01	F.Y. 1999-2000
Earnings Per Share	5.15	3.82
Interest Coverage Ratio	38.69	123.47
Net Profit Ratio	25.02%	23.09%
Current Ratio	10.31	4.97
Book Value Per Share	24.23	19.08

RESULTS OF OPERATIONS :

The Company has established itself in the growing and profitable field of information technology and was able to conduct large volumes of business due to its well set existing infrastructure and is capable of seizing the future , which is perceived to be bright.

DIVIDEND

Your Directors are of the view that the IT sector has to face challenges and changes in technological development. In order to meet the diversification and expansion programs it is necessary to conserve the resources and hence the inability to recommend dividend

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT :

Pursuant to Clause 49 of the Listing Agreement, a Management Analysis Report, giving segment wise performance and outlook, is given as Annexure A to this Report.

CORPORATE GOVERNANCE :

Although the provisions of Corporate Governance in terms of Clause 49 of Listing Agreement will be applicable to your Company with effect from the Financial Year 2001-02, your Company has taken adequate steps to ensure that all the said provisions on Corporate Governance are complied with. A separate report on Corporate Governance is being incorporated as a part of the Annual Report, alongwith a certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance, which is annexed to the Directors Report. Your Company is fully committed to good corporate governance practices.

DIRECTORS RESPONSIBILITY STATEMENTS

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the Directors Responsibility Statement' and confirm that :-

- In the preparation of the annual accounts, the applicable accounting standards have been followed, alongwith proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are

