



Brels Infotech

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21st

ANNUAL REPORT

2005 - 2006

BRELS INFOTECH LTD

1. BOARD OF DIRECTORS : MR. S. K. SARAOGI - Director
MR. A. DHANANIA - Director
MR. T. CHOWDHURY - Director
MR. M. KUMAR THAKUR - Director
MR. P. P. SINGHA - Director
2. COMPANY SECRETARY : MR. JITENDRA TIWARI
3. AUDITORS : RAJESH DUGGAR & CO.
Chartered Accountants
Kolkata
4. SOLICITORS : B.K. JAIN & CO.
SOLICITORS & ADVOCATES
KOLKATA
5. BANKER : STANDARD CHARTERED BANK
KOLKATA
6. REGISTERED OFFICE : 1/1A, UPPER WOOD STREET
KOLKATA-700 017
7. REGISTRARS & SHARE TRANSFER AGENTS : M/s. S. K. COMPUTERS
34/1A, Sudhir Chatterjee Street
Kolkata-700 006



NOTICE TO THE MEMBERS OF BRELS INFOTECH LTD.

NOTICE is hereby given that the Twenty First Annual General Meeting of the Shareholders of M/s. BRELS INFOTECH LTD. will be held at 92, Ballygunj Place, Kolkata-700 019 on Friday the 15th December, 2006 at 9.30 A.M. to transact the following business :-

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June, 2006 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in Place of Mr. S. K. Saraogi who retires by rotation & being eligible, offers himself for re-appointment.
3. To appoint a Director in Place of Mr. A. Dhanania who retires by rotation & being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :-

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution :

"RESOLVED that pursuant to Section 94 and other applicable provisions of the Companies Act, 1956 the Authorised Capital of the Company be & is hereby increased from Rs. 12.60 Crore (Rupees Twelve Crore Sixty Lacs) divided into 12,60,00,000 Equity Share of Re.1/- each to Rs. 33.00 Crore (Thirty Three Crore) divided into 33,00,000 Equity Shares of Rs. 1/- each by creation of further 20,40,00,000 Equity Shares of Re. 1/- each ranking pari-passu with the existing Equity Shares in all respect.

RESOLVED further that the Capital clause of Memorandum of Association of the Company be and is hereby altered suitably to incorporate aforesaid increase.

RESOLVED further that the Directors of the Company be and are hereby severally authorised to do all such acts deeds, matters and things as may be deemed necessary and expedient for affecting the above Resolution."

Date: 15th November, 2006
Registered Office :
1/1A, Upper Wood Street, Kolkata-700 017

By Order of the Board
(S. K. SARAOGI)
Director

NOTES :

1. A member entitled to attend and vote at the Meeting is also entitled to appoint a proxy/proxies to attend and vote in his/her stead and a proxy need not be a member.
2. A proxy to be effective should reach the registered office of the Company not later than 48 hours before the meeting.
3. The Register of the members and Share Transfer Books of the Company shall remain closed from 12th December, 2006 to 15th December, 2006 both days inclusive.
4. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is Annexed hereto.
5. Members are requested to notify any change in there mailing address forthwith.
6. Members who are holding Shares in identical order of names and address in more than one account are requested to intimate the Company, the Ledger Folios of such accounts with Share Certificate to enable the Company to consolidate their holding into one account. The Share certificate will be duly returned to the member after making necessary endorsements thereon.

7. Members desiring any information on the accounts at the Annual General Meeting may Kindly write to company at least 7 days in advance, so as to enable the Company to keep the information ready.
8. Members are requested to kindly bring their copies of the Report and Accounts to the meeting.
9. Members who hold shares in Dematerialized Form are requested to bring their Client ID & DP ID Numbers for easy identification for attendance at the meeting.

AN EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. : 5

In terms of the Scheme of Amalgamation of the Company with M/s. Business Point Ltd., M/s. Bossom Exim Pvt. Ltd. and M/s. DKS Homes Pvt. Ltd. now pending confirmation before the Honorable High Court at Calcutta, the Authorised Capital of the Company needs to be suitably increased for allotment of Equity Shares to the Shareholders of the Transferor Companies on Amalgamation. The proposed increase of Capital is intended to comply with the requirement.

The Directors recommend the Resolution as set out under item no. 5 in the notice be adopted in the interest of the Company.

None of the Directors of the Company is interested or concerned in the subject resolution, except to the extent they may be entitled to allotment of shares in terms of Scheme of amalgamation.

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DIRECTORS'S REPORT

Your directors take pleasure in presenting the 21st Annual Report and the Audited Statement of Accounts for the year ended 30th June, 2006.

The Final result of Company's operation during the year under review and those of the previous year are given below.

FINANCIAL RESULTS

	For the Year ended 30.06.2006	(Rs. In Lacs) For the year ended 30.06.2005
Gross Turnover	1564.74	1635.53
Less : Expenditure	1729.40	1323.05
Gross : Profit	(164.66)	312.48
Less : Depreciation	288.04	265.53
Less : Financial Charge	-	14.32
Net Profit (Loss) before Tax	452.70	32.62
Less : Provision for Tax	2.17	-
Deferred Tax	0.11	1.63
Net Profit (Loss) after Tax (PAT)	(454.98)	914.02
Add: Bal. B/F	945.01	-
Balance B/F to Balance Sheet	490.03	945.01

PERFORMANCE :

The year under review witnessed or severe around reduction in performance further reduced by 15% due to liquidity crisis.

CORPORATE GOVERNANCE

A separate report on corporate governance is annexed hereto, accompanied by a certificate from the Auditors in terms of stipulations under clause 49 of the Listing Agreements as Annexure A1.

MANAGEMENT DISCUSSION & ANALYSIS :

A separate statement is annexed hereto and marked as Annexure A2.

DIRECTOR'S :

Mr. S. K. Saraogi & Mr. A. Dhanania retire by rotation at the forthcoming Annual General Meeting & they being eligible offer themselves for re-appointment.

Details of the Directors seeking appointment/re-appointment are given as annexure to Notice convening the Annual General Meeting.

AUDITORS & REPORT OF THE AUDITORS :

M/s Rajesh Duggar & Co., Chartered Accountants, the Auditors of the Company, retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Observations made in the Report of the Auditors, read with the notes on accounts are self-explanatory and need not require any further clarification.

DIVIDEND :

Consequent to alarming liquidity crisis, your Directors had no option but to abstain from recommending any dividend for the year.

STATUTORY INFORMATION :

(I) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Company being not engaged in any manufacturing activities, the information as are required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (disclosures of particulars in the report of the directors), Rules 1988 relating to the conversion of Energy, Technology absorption, etc is not required.



Foreign Exchange Earned : Rs. NIL
 Foreign Exchange Outgo : Rs. NIL

(ii) EMPLOYEE PARTICULARS

The Company has no employee to whom the provisions under section 217 (2A) of the Companies Act, 1956 is applicable.

(iii) DIRECTOR'S RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of the Companies Act, 1956, your Directors subscribe to the 'Directors Responsibility Statement' and confirm as under :

- That in the preparation of the Annual Accounts, the applicable Accounting Standard have been followed and no material departures have been made from the same;
- That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year and the Profit & Loss of the Company for that period;
- That to the best of their knowledge & information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- That they have prepared the Annual Accounts on a going concern basis.

DEPOSIT :

The Company has not accepted and /or renewed any deposit from the public during the year nor was there any carried forward balance at the end of the year.

SPLITTING OF SHARES :

By resolution dated 16-09-05 the shareholders resolved to split the Equity Share of the Company by sub dividing with Equity Shares of Rs. 10/- each into 10 Equity Shares of Rs. 1/- each with a view to enable the shareholders to have more flexibility and also to boost the trading liquidity in the Exchanges. It was estimated that the fraternity of the shareholders with such splitting into a smaller denomination would increase and would be in overall beneficial to the interest of shareholders.

The splitting of shares as above was duly approved and incorporated in the listing agreement with the concerned stock exchanges.

SCHEME OF AMALGAMATION :

The shareholders of the company have since approved a scheme of Amalgamation of M/s Bossom Exim Pvt. Ltd., M/s DKS Homes Pvt. Ltd., and M/s Business Point Ltd. (Transferor Companies) with M/s Brels Infotech Ltd. (Transferee Company) - all engaged in same business, with a view to pool together the respective capital and resources to combine the business of the amalgamating companies in fulfilling the objects to the companies & to strengthen & consolidate the position of the respective companies to participate more vigorously and profitably in a competitive market.

The said scheme of amalgamation has since been approved in-principle by the Bombay Stock Exchange (BSE) while the scheme is pending before the Calcutta High Court for its confirmation under section 391-394 of the Companies Act, 1956.

ACKNOWLEDGEMENT :

Yours Directors sincerely appreciate the high degree of professionalism, enthusiasm and hard work of employees at all level during the year. The Directors also take this opportunity to thank the shareholders, business partners and Government Authority for their continued support to the Company.

Registered Office
 1/1A, Upper Wood Street, Kolkata-700 017
 Date : 15th November, 2006

For and on behalf of the Board
 S. K. Saraogi/A. Dhanania
 Directors



ANNEXURE A1 to THE DIRECTORS' REPORT

CORPORATE GOVERNANCE :

The Company believes in total transparency, accountability and equality in management of the affairs of the Company. It envisages highest level of such qualities in all the spheres of its operations, interactions with its Employees, Customers, Bankers, and Government Authority and above all with its stakeholder. The Company is committed to achieve highest standard of Corporate Governance.

BOARD OF DIRECTORS :

At present the Board of Directors consist of five members having necessary professional expertise and is composed of Executives and non-executives in the right proportions.

Composition of the Board :

The Composition and other relevant details of the Board are given below :

Name of Directors	Executive/Non-Executive/ Independent	Qualification	No of Board Meeting Attended	Attendance at last AGM
1. Mr S.K Saraogi*	Executive/ Non Independent	Post Graduate in Commerce & having 26 Years Experience in finance & Admin	7	Present
2. Mr.A. Dhanania	Non Executive/ Independent	B. Com. having 11 Years Experience in I.T field.	5	Present
3. Mr T. Chowdhury	Non Executive/ Independent	B.Com having 14 years Experience in I.T & Education field	7	Present
4. Mr. P.P. Singha	Non Executive/ Independent	B.E having 19 years experience in Software Development & R.D	8	Present
5. Mr M. Kumar Thakur	Non Executive/ Independent	B.Com having 16 years Experience in Mkt, & Services	5	Present

*Executive Directors have drawn a sum of Rs. 12,000/- p.m each during the financial year.

(b) Board Meeting :

There had been 10 (Ten) Board Meeting since the last Financial Year.

<u>Date of Board Meeting</u>	<u>No of Directors Present</u>
30.07.05	3
18.08.05	3
22.08.05	4
16.09.05	3
18.10.05	3
29.10.05	3
15.11.05	4
30.01.06	3
20.02.06	3
29.04.06	3

**(c) Board Procedures :**

The Board of Directors meet from time to time to transact such business in respect of which the attention and sanction of the Board is required. There is a well-laid procedure of sending to all the directors due notice of the meetings accompanied by detailed agenda papers sufficiently in advance. The directors freely express their views and seek clarification on various points concerning the respective business taken up in such meetings are duly and correctly implemented without any reservations and are recorded in the minute's book maintained for the purpose. The Directors hold their offices strictly in compliance with the provisions of the Companies Act, 1956 and the provisions of the Articles of Association of the Company.

(d) Board Committees :

The Board of Directors has three (3) Committee of Director to assist the Board in discharging its responsibilities towards strategic supervision;

The said committee are : Audit Committee, Share Transfer Committee, Investor Grievance Committee and Remuneration Committee.

(e) Audit Committees :

Pursuant to the provisions under sec 292A of the Companies Act, 1956 the Board has since constituted an Audit Committee with Mr M. Kumar Thakur as its Chairman. The other members of the committee are Mr. P. P. Singha and Mr. T. Chowdhury are all non-Executive Directors and each one of them are well versed in finance matters & company Laws and Accounts.

The terms of reference of the Audit Committee includes :

- To consider & receive all financial statements and pre- publication Annoucements before the same is placed before a meeting of the Board of Director ;
- To ensure compliance of internal Control System and actions taken of internal Audit Report ;
- To hold periodic discussions with Auditors on the scope and content of Audit;
- To consider and review Company's risk management policy ;
- To appraise Board on the impact of Accounting policies, Audit standards and legislation's;

During the financial year there had been only 3 (three) meetings of the Audit Committee where all the Committee members attended.

(f) SHARE TRANSFER COMMITTEE/SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Board has constituted a Share Transfer Committee to deal with the requests received for transfer/ tramission/ duplicate issue of shares in due Compliance with the provisions of the Companies Act, 1956 and also the listing Agreements. The members of the committee are Mr S.K Saraogi (Chairman) and Mr M. Kumar Thakur . During the year the committee met on 12 occasions. Instead of appointing a separate committee for dealing with the Shareholders/ investors grievance, the same Share Transfer Committee has since been assigned the responsibility of attending to Shareholders/Investors grievance also.

All valid transfer requests received by the Company as the same are Concerned with shares in physical mode were duly transferred/transmitted within 30 days from the date of receipt while in case of requests for demateriliasation are dealt within 15 days from date of receipt.

(g) Remuneration Committee :

The Remuneration Committee is comprised of two Directors Sri S.K. Saraogi and Mr A. Dhanania .The Committee met only once on 23.10.05 and recorded that consigent to services equpdity crisis of the company the Directors have foregone their sitting for one more financial year and revision of managerial Remuneration of the whole time Directors was postponed till recovery of companies financial position.

GENERAL BODY MEETINGS :

The details of last 3 Annual General Meetings.

Finalcial Year Ended	Meeting	Locations	Date	Time
30.06.2005	20th AGM	92, Old Ballygunj Road, Kolkata-700 019	14.12.2005	9.30 A.M.
30.06.2005	19th AGM	92, Old Ballygunj Road, Kolkata-700 019	24.12.2005	9.30 A.M.
30.06.205	18th AGM	P-21, Old Ballygunj Road, Kolkata-700 019	27.12.2005	9.30 A.M.

EXTRA ORDINARY GENERAL MEETING :

- On 16th September 2005 at 9.30 A.M. at 1/1A, Upper Wood Street, Kolkata-700 017.

DISCLOSURES :

- Disclosures on materially related party transaction i.e. trasaction of the Company of material nature , with its promoters, Directors or the managers, their subsidiaries, relatives etc. that may have potential conflict with the interest of the Company, at large :-