

8th Annual Report 2002-2003



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BSL
BSL INFORMATION SYSTEMS LIMITED

8th Annual Report 2002-2003

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BSEL Information Systems Limited

BSEL INFORMATION SYSTEMS LIMITED

BOARD OF DIRECTORS

Mr. Kirit R. Kanakiya	Managing Director
Mr. Gurmeet S. Rehel	Executive Director (Projects)
Mr. Shashank Joshi	
Mr. Hitesh D. Vora	
Mrs. Alpa A. Hakani	

COMPANY SECRETARY

Neelabja Chakrabarty

REGISTERED OFFICE

Hilton Centre, 1st Floor,
Plot No 66, Sector 11,
CBD Belapur,
Navi Mumbai 400 614

BANKERS

UTI Bank Limited
Punjab National Bank
ICICI Bank Limited

AUDITORS

M/S Raju and Prasad
Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENTS

Sharex (India) Pvt. Ltd.
17-B, Dena Bank Building,
2nd floor, Horniman Circle, Fort,
Mumbai-400 001

8th Annual Report 2002-2003**NOTICE OF THE ANNUAL GENERAL MEETING:**

Notice is hereby given that the Eighth Annual General Meeting of the Members of BSEL Information Systems Limited will be held on Thursday, the 10th day of July 2003 at 11.00 A.M. at Hilton Centre, 1st Floor, Plot No. 66, Sector-11, CBD Belapur, Navi Mumbai- 400614 to transact the following business:

Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31 March 2003, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Alpa Hakani who retires by rotation and being eligible offers herself for reappointment.
3. To re-appoint retiring Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

4. **To consider and, if thought fit, to pass, with or without modification, the following resolution, as an Ordinary Resolution:**

"RESOLVED THAT Mr. Shashank Joshi, who was appointed as an Additional Director by the Board of Directors as on 25 April 2003, in accordance with Article 133 of the Articles of Association of the Company and who holds office as a Director under Section 260 of the Companies Act, 1956, up to this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from members proposing his candidature for the office of Directors, be and is hereby appointed as a Non-executive Director of the Company liable to retire by rotation."

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

"RESOLVED THAT, subject to provisions under sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof, Mr. Gurmeet Singh Rehel be and is hereby re-appointed as Executive Director (Projects), for a further period of one year commencing from 16 June 2003 at the remuneration including all perquisites not exceeding Rs.20,000/- per month and other terms and conditions, the draft of which duly approved by the Board of Directors and placed before this meeting (signed by the Chairman for the purpose of identification) be and is hereby sanctioned with the liberty to the Board to vary, alter, modify the terms and conditions of the said agreement within the permissible limit specified in Schedule XIII to the Companies Act, 1956, as may be mutually agreed by the members of the Board of Directors and Mr. Gurmeet Singh Rehel."

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase/decrease the remuneration (including salary, commission, perquisites, allowances, benefits, etc. within such prescribed limits/ceiling and the aforesaid agreement between Mr. Gurmeet Singh Rehel and the Company be suitably amended/modified to give effect to such amendment or modification or relaxation without any further reference to the Company in the General Meeting."

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

"RESOLVED THAT subject to the approval of the Registrar of Companies and pursuant to Section 21 of the Companies Act, 1956, the name of the Company be and is hereby changed from "BSEL Information Systems Limited" to "BSEL Infrastructure Realty Limited".

BSEL Information Systems Limited

"RESOLVED FURTHER THAT the name "BSEL Information Systems Limited" wherever it occurs in the Memorandum & Articles of Association of the Company be substituted by the new name "BSEL Infrastructure Realty Limited".

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

2. As for **Item No. 6** pursuant to Section 192A of the Companies Act, 1956, read with The Companies (Passing of Resolution by Postal ballot) Rules 2001 and Clause 49 of the Listing Agreement with the Stock Exchanges, the consent of the shareholders for the above purpose is required to be obtained by means of Postal Ballot. The Postal Ballot Form with a self-addressed prepaid postage envelop is enclosed with the Annual Report.

As per the Act and Rules, the last date of receipt of Postal Ballot Forms is 09th day of July 2003. The Ballot Forms received after this date will be rejected.

The Votes will be considered invalid if the member's signature does not tally or if the ballot paper received is torn or defaced or mutilated to an extent that it is difficult for the scrutinizer to identify the voting of the member or on such other grounds which in the opinion of the scrutinizer makes the votes invalid.

The Chairman will announce the result of the Postal Ballot process at the 8th Annual General Meeting and item no. 6 as covered by Postal Ballot will not be transacted at the said Annual General Meeting.

3. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting, is given below and forms part of the Notice.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 05 July 2003 to Thursday, 10 July 2003 (both days inclusive) in connection with the Annual General Meeting.
5. The Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Share Transfer Agent of the Company at the following address:

Sharex (India) Private Limited
(Unit: BSEL Information Systems Limited)
17-B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort,
Mumbai- 400 001
Tel: (022) 22702485, Fax: (022) 22641349
Contact Person: Mr. T. Sashikumar, Branch Manager

6. As required under Clause 49VI(A) of the Listing Agreement, the relevant information in respect of the Directors seeking re-appointment at the Annual General Meeting is enclosed as Annexure-1.

By Order of the Board of Directors

Place: Navi Mumbai
Date : 20-5-2003

Sd/-
Neelabja Chakrabarty
Company Secretary

Registered Office:
Hilton Centre, 1st Floor, Plot No. 66, Sector-11,
CBD Belapur, Navi Mumbai- 400 614
Dated: 20 May 2003

8th Annual Report 2002-2003**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

The following Explanatory Statements set out all the material facts relating to the business mentioned in the accompanying notice dated 20 May 2003.

Item No. 4:

Mr. Shashank Joshi was appointed as an Additional Director of the Company on 25 April 2003. According to the provisions of Section 260 of the Companies Act, 1956 read with Article 133 of the Articles of Association of the Company, he holds office only upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from some of the Members of the Company proposing his appointment as Director under the provisions of Section 257 of the Companies Act, 1956 along with requisite deposit.

Mr. Shashank Joshi is a science graduate with post-graduate qualification in Management. He did a long stint in leading advertising agencies before starting his own Company- M/S Better Communications Private Limited of which he is Managing Director. He was one of the first people to see the need for comprehensive process management for the advertising and communication industry and had pioneered the concept of BPO through his Company way back in 1992.

He has a firm grasp of technology and its applications in the area of communications and content and has been an IT consultant to several organizations. He has also been nominated to several bodies of the Computer Society of India.

He brings to the table a holistic view and a top management perspective, combined with sharp insight into consumer behaviour, finely honed marketing skills and a deep insight into technology as an evolving tool, and its impact on business and the future. He has a sound feel for operations and logistics and very much has a hands-on managerial style.

The Board considers that his wide and varied experience would indeed strengthen and broad base the Board of the Company.

The Board commends the resolution for your adoption.

Item No. 5:

Your Directors informed that appointment of Mr. Gurmeet Singh Rehel as Executive Director (Projects) have been extended in the Board Meeting dated 20 May 2003 by further period of one year from 16 June 2003 (the date of expiry of the previous agreement of his appointment as approved in the last Annual General Meeting) at a monthly remuneration of Rs.20,000/- (including all perquisites).

The Board recommends this resolution for approval of the shareholders.

The draft copy of the renewed agreement between the Company and Mr. Gurmeet S. Rehel is available for inspection at the registered office of the Company on any working day.

Item No. 6:

The Company is coming out with its first Infrastructure Project, a state-of-art software technology park named BSEL Tech Park at the most strategic business location of Navi Mumbai.

The Company has decided to focus more into infrastructure development activities than software in the future and to ensure that the name of the Company do not draw the public into confusion in future and that the name of the Company identifies the core business of the Company, the Board recommends this resolution for approval of the shareholders. Mr. Avinash Jain has been appointed as scrutinizer for the Postal Ballot Process and he will submit his report to the Chairman cum Managing Director of the Company on 09th day of July 2003. As this item is covered by Postal Ballot, it will not be transacted in the 8th Annual General Meeting on 10th day of July, 2003 even though members who have not exercised their franchise through the Postal Ballot might be present in person or through proxy at the venue of the 8th Annual General Meeting.

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Memorandum of Interest:

Mr. Shashank Joshi may be regarded as interested in the resolution under Item No. 4.

Mr. Gurmeet Singh Rehel may be regarded as interested in the resolution under Item No. 5.

Except as stated above, none of the Directors is interested in any of the above proposals other than to the extent of their shareholdings in BSEL Information Systems Limited.

By Order of the Board of Directors

Place : Navi Mumbai

Date : 20-5-2003

Sd/-

Neelabja Chakrabarty
Company Secretary

Registered Office:

Hilton Centre, 1st Floor, Plot No. 66, Sector-11,
CBD Belapur, Navi Mumbai- 400 614

Dated: 20 May 2003

ANNEXURE-1

RELEVANT INFORMATION IN RESPECT OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING- PURSUANT TO CLAUSE 49VI(A) OF THE LISTING AGREEMENT:

Ms. Alpa A. Hakani:

Ms. Alpa A. Hakani is a first class commerce graduate and a qualified Cost & Works Accountant having more than six years experience in Finance, Accounts, Taxation and as Liaison cum compliance agent with various government departments like DGFT, STPI, RBI, CBDIT, etc.

She is also the Chairperson of the Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee of the Company.

Nature of Expertise — Accounts and Financial Analysis, Cost Control and Budgeting and legal compliances relating to Public Issue, Bonus Issue and Post-issue requirements.

8th Annual Report 2002-2003**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting the Eighth Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended March 31, 2003.

1. FINANCIAL RESULTS:

(All Rs. In Lacs)

Particulars	Year Ended 31 March 2003	Year Ended 31 March 2002
Profit before Depreciation and Tax	63.23	182.53
Less: Depreciation	47.77	179.93
Profit Before Tax	15.46	2.60
Less: Provision for Taxation	5.91	0.00
Profit After Tax	9.55	2.60

2. COMPANY'S BUSINESS GROWTH AND PROSPECTS

The Year under Review was one of the most difficult time for Industries in the field of Information Technology all over the world. The IT boom that was witnessed a couple of years back burst its bubble. The IT industries' growth prospect during the year was tremendously impacted by the global economic slow-down. Indian IT companies predominantly depend on the global economies like USA and other Western Countries. Hence the downturn was heavily felt by the Indian IT Companies especially by the mid-sized segment like your Company.

Your Company is currently going through a process of consolidation reflecting shifting scenarios of the market. The Focus of the Company has now shifted thus from purely software field to providing Infrastructure facility for Software Industries as well as development of Commercial Establishments.

a) Company's first Infrastructure Project — BSEL TECH PARK

The Company had started the construction of its First Infrastructure Project named BSEL Tech Park in the previous year and the project is expected to be completed by June 2004.

The Project is a highly sophisticated State-of-Art Technology Park and Commercial Complex comprising basement, ground floor and thirteen floors admeasuring 25,000 square feet area per floor. It is developed as a premium commercial complex and will cater to the needs of Multi-national Companies and Big Corporate Houses. The park will be equipped with world class, superior amenities.

The Project is located at the most prime business location of Navi Mumbai- right opposite the Vashi Railway Station and easily accessible by Railway, Mumbai-Pune Highway, adjoining Bus and Auto Terminals.

The Project has been registered with the Secretariat for Industrial Assistance, Government of India under "The Industrial Park Scheme-2002".

The management is in the process of registering the Project with the Directorate of Industries, Government of Maharashtra as a Private IT Park.

b) Future Projects in Pipeline — Golf Course cum Country Club and Real Estate Development

Your Company had also submitted bid for a mega project – "Golf Course cum Country Club and Real Estate Development" with the City for Industrial Development Corporation, Navi Mumbai (CIDCO) to be built at Nerul, Navi Mumbai. Your Company is the highest financial bidder for the above Project and has also been technically adjudged the best by the Tender Committee. The matter is awaiting the approval of the Board of Directors of CIDCO, the governing body of Navi Mumbai.

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The Promoters of the Company along with the Persons acting in concert (PACs) had come out with an Open Offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 in December 2002 as per the SEBI directive to them. The Open Offer was closed 04 March 2003. The Promoters (with PACs) holding in the Company had increased to 76.37 percentage of the voting capital of the Company as on 31 March 2003.

3. DIVIDEND

In view of the inadequate profits for the year under review, your Directors regret their inability to recommend payment of any dividend for the year ended 31st March 2003.

4. DEPOSITS

The Company did not accept any deposits from the public and the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

5. PERSONNEL

None of the employees of the Company come under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

6. DIRECTORS

Mr. Srikrishna S. Bamidipatti ceased to be a Director of the Company with effect from April 25, 2003 due to his other preoccupations. The Board placed on record its appreciation of the valuable services rendered by Mr. Srikrishna S. Bamidipatti during his tenure as a Director of the Company.

Mr. Shashank D. Joshi was appointed an Additional Director of the Company with effect from April 25, 2003. Pursuant to Section 260 of the Companies Act, 1956, he retires at the conclusion of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with the requisite deposit proposing his candidature for the office of Director of the Company. Your Directors recommend his appointment as a Director vide resolution no.4 of the notice of the Eighth Annual General Meeting.

Pursuant to Article 149 and 150 of the Articles of Association of the Company, Mrs. Alpa A. Hakani is to retire by rotation at the Annual General Meeting and is eligible for re-appointment. A brief profile of Mrs. Alpa A. Hakani is provided elsewhere in this Annual Report as Additional Information.

7. AUDITORS

M/s. Raju & Prasad, Chartered Accountants retire at the conclusion of the Annual General Meeting. They have indicated their willingness to continue as Auditors if re-appointed. The Company has received a certificate from them to the effect that their appointment, if made, will be within the prescribed limits under section 224(1B) of the Companies Act, 1956. Members are requested to appoint Auditors and fix their remuneration.

8. DEPOSITORY SYSTEMS

Your Company has entered into an arrangement with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of your Company's Securities in accordance with the provisions of the Depositories Act 1995, which are now fully operational and members may avail of such facilities. With this, the Members have the option /discretion to hold their Demat shares in the Company through the National Securities Depository Limited or the Central Depository Services (India) Limited.

9. CORPORATE GOVERNANCE

The Company has complied with all the recommendations of the Corporate Governance Code as provided in Clause 49 of the Listing Agreement. A Report on Corporate Governance is given as Annexure to this Report.

A Management Discussion & Analysis Report also accompanies this Report of the Directors.

8th Annual Report 2002-2003**10. DIRECTORS RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors' confirm that:-

- (i) In the preparation of the annual accounts for the financial year ended 31 March 2003, the applicable accounting standards have been followed.
- (ii) The Directors had 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 as on 31st March 2003 and of the profit or loss of the Company for the year ended 31st March, 2003.
- (iii) The Directors 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.
- (iv) The Directors have prepared the annual accounts for the year under review on a going concern basis.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO under section 217(1)(e) of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.**a) CONSERVATION OF ENERGY:**

The Company's operations involve low energy consumption. There are no major areas where any energy conservation measures can be taken. However, efforts are being made to conserve and optimize the use of energy in regular operations.

b) TECHNOLOGY ABSORPTION:

No technology has been developed, as the company is yet to set-up its R & D facility. No Technology has also been imported by way of foreign collaboration.

c) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year the Company has not incurred any expenditure in foreign currency. The Foreign Exchange earned during the year is Rs.704.32 Lacs on cash basis and Rs.607.72 Lacs on accrual basis.

12. ACKNOWLEDGMENTS

Your Directors wish to place on record its appreciation of the employees, Banks, Merchant Bankers, Stock Exchange Authorities, SEBI, Government and Semi- Government Bodies of the Central and State Government for their able guidance and support. Your directors thank all your customers for the confidence they have reposed in your company.

For & on behalf of the Board

Sd/-

Kirit R. Kanakiya
Managing Director

Place : Navi Mumbai
Date : 20.05.2003