

BETALA GLOBAL SECURITIES LIMITED

Registered Office : No.24, Revanier Street, Chennai – 600 003.



ANNUAL REPORT 2005–2006

BETALA GLOBAL SECURITIES LIMITED

Registered Office : No.24, Revanier Street, Chennai – 600 003.

BOARD OF DIRECTORS : **Mr. R.C.BETALA** – Chairman
Mr. S.SASIKUMAR – Director
Mr. RAJIV P.UDANI – Director

BANKERS : **HDFC BANK LIMITED**
Fort Branch
Mumbai

REGISTERED OFFICE : 24, Revanier Street
Chennai – 600 003.

**REGISTRARS & SHARE
TRANSFER AGENT** : **SHAREX (INDIA) PVT. LTD.**
17/B Dena Bank Building
2nd Floor, Horniman Circle,
Fort, Mumbai – 400 001.

AUDITORS : **C.RAMASAMY & B.SRINIVASAN**
Chartered Accountants
Chennai – 600 024.

BETALA GLOBAL SECURITIES LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of **BETALA GLOBAL SECURITIES LIMITED**, will be held on 29th September 2006 at 10.30 a.m at the Registered Office of the company at No.24, Revanier Street, Chennai – 600 003, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2006, the Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr.Rajiv P.Udani, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors for the year 2006–2007 and fix their remuneration. To consider and if thought fit, to pass with or without modifications, the following resolution as ordinary Resolution.

RESOLVED that M/s C.Ramasamy & B.Srinivasan , Chartered Accountants, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting for the financial year ending 31.03.2007 at a remuneration to be fixed by the board in consultation with the proposed Auditors.

By order of the Board
for **Betala Global Securities Limited**

R.C.BETALA
CHAIRMAN

Place: Chennai
Date : 31.07.2006

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NOTES

- A.
1. A member entitled to attend and vote at the meeting is entitled to appoint and vote instead of himself and the proxy need not be a member of the Company.
 2. Proxies in order to be effective, must be received by the company not less than 48 hours before the meeting.
 3. The Register of Members and the Share Transfer Books of the Company will be closed from 22.09.2006 to 29.09.2006 both days inclusive.
- B
1. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
 2. Members are requested to bring their copy of Annual Report for the meeting.
 3. Members are requested to quote their folio number in all their correspondence.

By order of the Board
for **Betala Global Securities Limited**

Place: Chennai

Date : 31.07.2006

R.C.BETALA
CHAIRMAN

ANNEXURE TO NOTICE

Information pursuant to clause 49 of the Listing Agreement for re-appointment of Director.

1. Name of the Director : Mr.Rajiv .P. Udani
- a) Age : 32
- b) Qualification : B.Com,
- c) Experience : 10 yrs in Business
- d) Directorship in Other Companies : Volvie Capital Management (P) Ltd
Swaroski Securities Ltd
- e) Chairman/Member of
Committees of Companies : Audit Committee–Member
Remuneration Committee–Chairman
Share Holders Investor Grevence
Committee–Member

BETALA GLOBAL SECURITIES LIMITED**DIRECTORS REPORT TO SHAREHOLDERS**

Your Directors have pleasure in presenting the Twelfth Annual Report together with audited accounts for the year ended 31st March 2006.

WORKING RESULTS

The working results of your company for the year under report are as under:

	31.03.2006	31.03.2005
	(in Rs.)	(in Rs.)
Gross Income	7,12,348	6,56,025
	=====	=====
Profit/(Loss) before depreciation and Tax	(1,81,78,882)	3,13,271
Less : Depreciation	1,39,984	1,62,894
	=====	=====
Profit/(Loss) for the year before tax	(1,83,18,866)	1,50,377
Less : Provision for tax – Earlier Year	–	18,845
	=====	=====
Profit / (Loss) after tax carried to Balance Sheet	(1,83,18,866)	1,31,532
	=====	=====

PERFORMANCE

The company recorded a gross income of Rs. 712348/- as against Rs. 656025/- in the last year and incurred a loss of Rs. 1,83,18,866/- as against profit of Rs. 1,50,377/- during the last year. Company had made investments in equity shares of various companies in earlier years which were sold during the year which resulted in a loss of Rs. 99.08 Lacs. The company had given loans to various parties which is now become doubtful of recovery for which the company has made a provision of 85.38 Lacs. This were the main reasons for the loss during the year.

REDUCTION IN CAPITAL

In view of the huge loss incurred by the company the directors decided to restructure the capital by reducing the paid up share capital with the view to reflect the correct networth of the company. In view of the above the company had passed the special resolution through postal ballot which was confirmed at the EGM held on 06.02.2006 for reducing the share capital to one fourth of the present paid up capital. That is every four

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shares of Rs.10/- each will be converted into One Equity shares of Rs.10/- each. The company had applied to the Honorable High Court of Chennai for getting its approval for reduction of the share capital. The Honorable High Court of Chennai vide its order dated 25.07.2006 approved the reduction in share capital as proposed in the resolution.

DIVIDEND

In view of the losses your directors regret their inability to recommend any dividend.

DIRECTORS

Mr. Rajiv P. Udani retire at this meeting and being eligible offers himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

Directors responsibility statement as per section 217(2AA) of the Companies Act, 1956:

- a) The Directors Confirm:that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) 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 true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that period;
- c) that 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;
- d) that they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

As a listed Company, necessary measures are taken to comply with the listing agreements with stock exchanges. A Report on Corporate Governance, along with certificate of Compliance from the Auditor forms **Annexure-B** to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Management Discussion and Analysis Report is given as **Annexure C** to this report.

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PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

There are no information required to be disclosed under Section 217(1) (e) of the Companies Act, 1956, read with rule 2 of the Companies (Disclosure of particulars in the Annual Report of Board of Directors) Rules, 1988. No manufacturing activity is involved and hence particulars relating to conservation of energy and technical know how are not applicable,. There has been no Foreign exchange earnings & outgo during the year.

PARTICULARS OF EMPLOYEES

There are no employees falling within the purview of Section 217 (2A) of the Companies Act, 1956. As such no separate annexure is given.

AUDITORS

M/s.C.Ramasamy & B.Srinivasan, Chartered Accountants, auditors of the company retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

Your Directors would like to place on record their appreciation of the whole hearted support extended by the employees, bankers to the company as also the shareholders of the company.

On behalf of the Board of Directors

R.C.BETALA
Chairman

Place: Chennai

Date : 31.07.2006

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ANNEXURE B
TO DIRECTORS REPORT — REPORT ON CORPORATE GOVERNANCE:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's Philosophy is to aim at the highest levels of quality management through transparency and commitment to all the stakeholders viz. its shareholders, employees, Government, lenders and the promoters.

2. BOARD OF DIRECTORS:

The Board of Directors of the company comprises of Non-Executive and Independent Directors. In all there are three Directors. As on 31st March 2006, the composition of the Board of Directors of the Company meets the stipulated requirements of Clause 49 of the Listing Agreement of the Stock Exchanges. The Board is responsible for the management of the business and meets regularly for discharging its role and functions. During the financial year 2005-2006 viz., from 1st April 2005 to 31st March 2006, four Board Meetings were held on the following dates: 27th May 2005, 30th July 2005, 24th October 2005 and 31st January 2006. The Annual General Meeting was held on 22nd July 2005.

The composition and membership on other Boards, Committees of Directors and attendance of Directors at the Board of Directors Meetings held during the Financial Year 2005-2006 and the last AGM held on 22.07.2005.

Name of the Director	Category	Attendance Particulars		Number of other Directorships and Committee Members Chairmanships		
		Board Meetings	Last AGM ships	Other Directorships	Committee Member-ships	Committee Chairman-
Shri R.C.Betala	Chairman – Non Executive	4	Yes	1*	—	—
Shri.S.Sasi Kumar	Non Executive Independent	4	Yes	1*	—	—
Shri Rajiv P.Udani	Non-Executive Independent	4	Yes	1* 1	—	—

* Private Limited Companies

BETALA GLOBAL SECURITIES LIMITED**3. AUDIT COMMITTEE:**

The Audit Committee constitutes of the following non executive independent Directors:

Mr. R.C.Betala
Mr. S.Sasikumar
Mr. Rajiv P.Udani

During the year ended 31st March 2006, Four meeting was held on 27th May 2005, 30th July 2005, 24th October 2005 and 31st January 2006. The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges.

The Attendance of Directors at the Audit Committee Meetings held during the year 2005–2006 is given below:

Name of the Director	Category of Membership	Attendance Particulars	
		Meetings Held	Meetings Attended
Shri S.Sasikumar	Chairman	4	4
Shri R.C.Betala	Member	4	4
Shri Rajiv P.Udani	Member	4	4

4. REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three non–executive Directors viz.,

1. Mr.Rajiv P. Udani, Chairman of the Committee
2. Mr. R.C.Betala, Member
3. Mr.S.Sasikumar, Member

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

No meeting was held during the year and no Remuneration was paid to any of the directors.

BETALA GLOBAL SECURITIES LIMITED**5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

The Shareholder/investors Grievance Committee comprises of three non-executive Directors viz,:

1. Mr.R.C.Betala Chairman of the Committee
2. Mr. Rajiv P.Udani, Member
3. Mr.S.Sasikumar, Member

The Committee will oversee the performance of share transfer and recommend measures to improve the shareholders/investors service. The said Committee met 1 time during the year 2005–2006.

During the Financial Year 2005–2006, no complaints have been received from the shareholders. There are no complaints pending as on date of this report. There were no share transfers pending registration as at 31st March 2006.

6. GENERAL BODY MEETINGS:

The particulars of Annual General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2002–2003	16th July 2003 at 9.00 A.M	No.24, Revanier Street, Chennai – 600 003
2003–2004	2nd July 2004 at 9.30 A.M	No.24, Revanier Street, Chennai – 600 003
2004–2005	22nd July 2005 at 10.00 A.M	No.24, Revanier Street, Chennai – 600 003

The Company held Extra Ordinary General Body Meeting on 06.02.2006 for the purpose of reduction in capital and delisting of shares in Madras Stock Exchange and necessary papers for postal ballot was sent and the results of the same was confirmed at the EGM held on 06.02.2006.

7. DISCLOSURES:

- a. Related Party Transactions: The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interests of the Company.