

**11th**  
**ANNUAL REPORT**  
**2001-2002**

**Certified to be True Copy.**

**CMS INFOTECH LTD.**

*Sundar*  
**Director**

Report  junction.com

**CMS** **Infotech Limited**

# **CMS INFOTECH LIMITED**

## **11th ANNUAL REPORT 2001-2002**

### **BOARD OF DIRECTORS**

SRI SUSHIL PARAKH  
SRI PARASMAL LODHA  
SRI PRAKASH KHAITAN  
SRI SANDEEP DEY  
SRI RAVI JAIN

### **COMPANY SECRETARY**

SRI RAMAKANT MISHRA

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### **BANKERS**

CANARA BANK  
ICICI BANK LTD.

### **AUDITORS**

V. LOHIA & CO.  
Chartered Accountants

### **REGISTERED OFFICE**

10, PRINCEP STREET  
2ND FLOOR  
KOLKATA - 700 072

**CMS Infotech Limited****NOTICE**

**NOTICE** is hereby given that the 11th Annual General Meeting of the Members of **CMS Infotech Limited** will be held at Somani Conference Hall of Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata -700001 on Thursday the 26th day of September, 2002 at 11.00 A.M. to transact the following business:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Sushil Parakh, who retires by rotation and, being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri Parasmal Lodha, who retires by rotation and, 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 modifications, the following resolution as a Ordinary Resolution:

"RESOLVED THAT Shri Ravi Jain, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 23/07/2002 and who holds office under the Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting of the Company in respect of whom the company has received a notice from a member under section 257 of the Companies Act, 1956, signifying his intention to propose Shri Ravi Jain as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered Office:

"SAHA COURT"

8, Ganesh Chandra Avenue

Kolkata -700 013

Dated: The 23rd day of July 2002

By Order of the Board

**SANDEEP DEY**

*Director*

**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/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before the time fixed for the meeting.
2. The Register of Beneficial Owners, Register of Members and the share transfer books of the Company will remain closed from 20th September, 2002 to 26th September, 2002 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Share Department at 10 Princep Street, 2nd Floor, Kolkata -700 072.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

## **CMS Infotech Limited**

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### **ANNEXURE TO NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **ITEM NO. 5**

Shri Ravi Jain, a practising Chartered Accountant, was appointed as an Additional Director of the Company by the Board of Directors with effect from 23rd July, 2002, under Section 260 of the Companies Act, 1956, Shri Ravi Jain continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257, the Company has received a notice from a member signifying his intention to propose Shri Ravi Jain as a candidate for the office of Director of the Company and the requisite deposit of Rs. 500/- has also been received by the Company alongwith such notice. It is proposed that Shri Ravi Jain will be liable to retire by rotation.

The Board is of the view that Shri Ravi Jain's knowledge and experience will be of immense benefit and valuable to the Company and, therefore, recommends his appointment to the shareholders.

None of the Directors except Shri Ravi Jain is, in any way, concerned or interested in the aforesaid resolution.

##### **Item No.6**

The Company has received a letter dated 30th May, 2002 from NBFC Department of Reserve Bank of India (RBI) intimating the Company to remove the word "Infotech" from its name. Hence, the above resolution has been proposed by the Board for your approval.

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

Registered Office:

"SAHA COURT"

8, Ganesh Chandra Avenue

Kolkata -700 013

Dated: The 23rd day of July 2002

By Order of the Board

**SANDEEP DEY**

*Director*

**CMS Infotech Limited****DIRECTORS' REPORT****Dear Shareholders**

Your Directors have pleasure in presenting the 11th Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2002.

**1. FINANCIAL HIGHLIGHTS**

The working result of the Company for the year stand as under:

	(Rs.) Year ended 31.03.2002	(Rs.) Year ended 31.03.2001
Profit/ (Loss) before Taxation	644,440.38	192,692.42
Less : Provision for Taxation - Current	49,300.00	17,000.00
- Deferred	230,065.00	—
Profit/ (Loss) after Taxation	365,075.38	175,692.42
Less : Income Tax Paid for Earlier Year	—	3,135.00
Deferred Tax adjustment	10,954,184.00	—
Add : Balance brought forward from previous year	(30,346,685.03)	(30,519,242.45)
Balance carried to Balance Sheet	(19,027,425.65)	(30,346,685.03)

**2. DIVIDEND**

In view of marginal profit earned by the Company, the Directors have decided not to recommend any dividend for the year. ,

**3. OPERATIONS**

The performance of the Company during the current year is satisfactory in comparison to previous year. Your Directors are making all efforts to improve the performance of the Company further in coming year.

**4. DIRECTORS**

Shri Ravi Jain was appointed as an additional Director of the Company with effect from 23rd July, 2002 and he vacates office at the conclusion of ensuing Annual General meeting. The Company has received the notice from a shareholder proposing him as Director of the Company.

Shri Ashok Kumar Shukla, submitted his resignation and the same was accepted by the Board with effect from 23rd July, 2002. The Board places on record its appreciation for the services rendered by him during the tenure of his Directorship with the Company.

Shri Sushil Parakh and Sri Parasmal Lodha retire by rotation and being eligible, offer themselves for reappointment.

**5. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view

## CMS Infotech Limited

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### Directors' Report Contd.....

of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

- iii) That 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) That the Directors have prepared the annual accounts for the financial year ended 31st March, 2002 on a going concern basis.

### 6. AUDITORS' REPORT

All the items on which the Auditors have commented in their report are self-explanatory .

### 7. AUDITORS

V. Lohia & Co., Chartered Accountants, hold the office till the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Your directors recommend their reappointment.

### 8. EMPLOYEES

None of the employees were in receipt of remuneration in excess of the limits specified under section 217(2A) of the Companies Act, 1956.

### 9. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosures of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

### 10. CORPORATE GOVERNANCE:

A report on corporate governance alongwith a certificate from the Auditors is enclosed as Annexure " A " and forms a part of this report.

### 11. EMPLOYER EMPLOYEE RELATIONSHIP:

The company maintained a cordial relationship with its employees which resulted in smooth flow of business operations during the period under review.

### 12. FOREIGN EXCHANGE

The Company has had no foreign exchange outflow or inflow during the year under review.

### 13. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in us. Last but not the least, your directors place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

Registered Office :

"SAHA COURT"

8, Ganesh Chandra Avenue

Kolkata -700013

Dated: The 23rd Day of July , 2002

On behalf of the Board

**SANDEEP DEY**

*Director*

**RAVI JAIN**

*Director*

**REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's report on Corporate Governance

**1. CORPORATE GOVERNANCE PHILOSOPHY:**

The Company defines Corporate Governance as set of standards which aims to improve the working of the Company, and establishes the integrity and accountability of the management. It is a system by which companies are directed and controlled. The main focus is to give more protection to investors by making management more responsible, and to bring transparency to the activities of the Company. The principle characteristics of Corporate Governance are transparency, responsibility, accountability, trusteeship and fairness. It helps to improve the Company's image, efficiency, and effectiveness.

The Company is committed to good Corporate Governance which aims to protect the interest of its stakeholders. The Company provides information on various issues concerning the company's business and financial performance to its shareholders.

**2. BOARD OF DIRECTORS****(a) Composition of the Board**

The Composition of the Board of Directors of the Company consists of qualified executive and non executive directors. The Board is based and comprises of persons who have excelled in their respective areas having good standing.

The composition of the Board of Directors as on 23rd July, 2002 is as follows :

Sr. No.	Name of Director	Executive / Non-Executive	No. of other	
			Directorships	Committee memberships
1.	Sri Parasmal Lodha	Non-Executive	6	—
2.	Sri Prakash Khaitan	Non-Executive	2	—
3.	Sri Ravi Jain	Non-Executive	—	—
4.	Sri Sandeep Dey	Non-Executive	8	3
5.	Sri Sushil Parekh	Non-Executive	2	2

**(b) Changes in the Composition of the Board of Directors since last Annual General Meeting**

Sri Ashok Kumar Shukla resigned with effect from 23rd July, 2002.

Sri Ravi Jain was appointed as director with effect from 23rd July, 2002.

**(c) details of sitting fees, remuneration etc. paid to Directors**

No remuneration has been paid to any director during the year.

**(d) Board Meetings held in the Financial Year 2001-2002 and attendance of Directors**

The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. During the year under review, 8 (Eight) Board meetings were held on 29th June 2001, 5th July 2001, 27th July 2001, 30th October 2001, 7th December 2001, 2nd January 2002, 29th January 2002 and 29th March 2002.

## CMS Infotech Limited

### 3. DIRECTORS INTEREST IN THE COMPANY.

None of the directors received any loan and advances from the Company during the year.

\* Attendance of each director at the BOD meetings and the last AGM.

Director	No. of Meetings		Attendance at last AGM-Held on 14th September 2001
	Held	Attended	
Sri Sushil Parekh	8	6	No
Sri Prakash Khaitan	8	6	No
Sri Ashok Kumar Shukla	8	8	Yes
Sri Sandeep Dey	8	8	Yes
Sri Parasmal Lodha	8	6	No
Sri Ravi Jain	N.A.	N.A.	N.A.

### 4. COMMITTEES OF DIRECTORS

In accordance with requirements of the Listing Agreement with the Stock Exchanges on Corporate Governance following 2 committees were operational during the year.

- Audit Committee
- Share Transfer and Investors Grievance Committee

#### a. Audit Committee

The Company set up its Audit Committee in May, 2001. The present Audit Committee of the Board of Directors fulfills the requirements of Section 292(A) of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement. The Audit Committee of the Company consists of 3 directors. During the Financial Year 2001-2002 the Audit Committee met 4 times on 29th June 2001, 27th July 2001, 30th October 2001 and 29th January 2002. Shri Ashok Shukla resigned from the Audit Committee with effect from 23rd July, 2002.

The composition of the Audit Committee and the attendance of each director at its meetings was as follows:

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1.	Shri Sandeep Dey	4	4
2.	Shri Sushil Parekh	4	3
3.	Shri Ashok Shukla	4	2
4.	Shri Ravi Jain	N.A.	N.A.

Audit Committee is responsible for reviewing with the management the annual financial statement before submission to the Board. The main function of Audit Committee is to supervise the companies' financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct.

#### b. Share Transfer and Investors Grievance Committee

The Company set up its **Share Transfer and Investors Grievance Committee** in 2001. The Company has inhouse transfer system for physical shares. The committee deals with the various matters relating to :

- transfer/ transmission of shares
- issue of duplicate share certificate,



**CMS Infotech Limited**

- review of shares dematerialised and all other related matters
- monitors expeditious redressal of investors' grievances
- all other matters related to shares

5 (Five) meetings were held during the Financial Year 2001-2002 on 15th May 2001, 15th June 2001, 14th September 2001, 28th December 2001 and 31st January 2002.

The composition of the committee and the no. of meetings attended by each of the members are as under :

Sr. No.	Members of Share Transfer and Investors Grievances Committee	No. of meetings attended
1.	Shri Sandeep Dey	5
2.	Shri Sushil Parekh	5
3.	Shri Ashok Shukla (Resigned w.e.f 23rd July, 2002)	5
4.	Shri Ravi Jain (Appointed w.e.f 23rd July, 2002)	—

As required by the Listing agreement with the Stock Exchanges, Sri Ramakant Mishra, has been appointed as 'Compliance Officer' to monitor the shares transfer process.

The status of investors queries/complaints received during the year is as under :

No. of investors queries/complaints received during the year ended 31st March, 2002	Pending at the end of the year	No. of pending share transfers
NIL	NIL	NIL

**REMUNERATION COMMITTEE**

Since no remuneration was paid by the Company to any director, no remuneration committee was constituted.

**5. ANNUAL GENERAL MEETING**

- Location and time, where last three AGMs held

Year	Date	Place	Time
2001	14-09-2001	Conference Hall of Eastern Zonal Cultural Centre at Bidhannagar IA-290, Sector-III, SaltLake, Kolkata - 700 091	11.00 a.m.
2000	11-08-2000	Jhajharia Committee Room of Merchants' Chamber of Commerce 15B, Hemanta Basu Sarani, Kolkata-700 001	11.00 a.m.
1999	20-09-1999	Jhajharia Committee Room of Merchants' Chamber of Commerce 15B, Hemanta Basu Sarani, Kolkata-700 001	2.30 p.m.

- Whether special resolutions were put through postal ballot last year, details of voting pattern :  
No special resolutions were put through postal ballot last year, as the situation did not arise.