

*Fifteenth
Annual
Report
1998-99*

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CALS LIMITED



BOARD OF DIRECTORS

Managing Director
Sarvesh Goorha

Directors
Mohan Lal Garg
Prof. Pramod Chandra Verma

Registered Office
E-44/13, Okhla Phase-II
New Delhi-110020

Manufacturing Unit
B-93, Sector VI
Noida-201301 (U.P.)

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Auditors
Parkash Jalal & Co.
Chartered Accountant
306, Sahjanand Shopping Centre
Shahibaug Road
Ahmedabad 380004

Bankers
Bank of India

**NOTICE**

NOTICE is hereby given that the 15th Annual General Meeting of the Members of CALS LIMITED will be held on December 30th, 1999 at Hamdard Jamia Hall, Hamdard University, New-Delhi - 110062, at 10.00 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 1999 and the Profit and loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon
- 2.) To appoint a Director in place of Mr. Sarvesh Kumar Goorha, who retires from office by rotation and being eligible, offers himself for re-appointment.
- 3.) To consider and, if thought fit to pass with or without modification (s), the following as an ordinary Resolution: "RESOLVED THAT M/s. Parekh Jajal and Co. Chartered Accountants, the retiring Auditors be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Director of the Company".

SPECIAL BUSINESS

- 4.) To consider and if thought fit, to pass with or without modification following as an ordinary Resolution: "RESOLVED THAT Mr. Mohan Lal Garg be and is hereby appointed as a Director of the Company".

Place : New Delhi

Date : 16-11-99

Registered Office:

E- 44/13 Okhla phase-II
New Delhi - 110020.

By order of the Board of Director
for CALS LIMITED

Managing 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. A PROXY NEED NOT BE MEMBER. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2.) The register of members and share transfer books of the company will remain closed on December 30, 1999.
- 3.) Members are requested to send their queries if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.
- 4.) All documents referred to in the notice and explanatory statement are available for inspection at the registered office of the company during the business hours on all working days of the company up to the date of the annual general meeting.
- 5.) Members are requested to intimate the company at its registered office, for changes, if any in the registered address including pin code number.
- 6.) Members holding more than one share certificate in the same name but under different ledger folio are requested to apply for consolidation of such folios and send the relevant shares certificate to the company's registered office.
- 7.) Member attending the meeting are requested to complete the enclosed slip and deliver the same at the entrance of the meeting hall.
- 8.) Persons attending the Annual General Meeting are requested to bring their copies of annual report with them at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.
ITEM NO 4.

Mr. Mohan Lal Garg was Appointed as an Additional Director to hold office up the forthcoming Annual General Meeting is proposed to be appointed as a Director. Mr. M. L. Garg is a Management Graduate with 26 Years experience in Finance area. Notice under section 257 of the Companies Act, 1956 has been received by the company from a member proposing his appointment Your director recommend this resolution for approval of the shareholders. None of the director other than Mr Mohan Lal Garg is in any way concerned or interested in this resolution.



DIRECTORS REPORT

The fifteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 30th June 1999 is being submitted.

FINANCIAL RESULTS

(Rs / Lacs)

Particulars	For the year ended 30.6.99	For the year ended 30.6.98
Sales and other income	13.49	92.75
Profit before interest & Depreciation	(37.01)	(232.13)
Less: Interest & Depreciation	9.54	11.71
Net profit before tax	(46.55)	(243.83)
Provision for taxation	--	--
Proposed Dividend	--	--
Net profit Transferred to Balance Sheet	(46.55)	(243.83)

DIVIDEND

In view of the losses, your directors are constrained to recommend any dividend.

INDUSTRY REVIEW

Computer hardware manufacturers in the organised sector have suffered over the last 2/3 years. With the reduction in the import duties and import of cheap products through various channel the margin on hardware manufacturing were not sufficient. Some of the best known companies have closed down their hardware manufacturing activities.

Many sectors of the economy have experience low demand and reduced margin during this period. It is hoped that with political stability and general improvement in the business climate some industries will be to have better performance in the next year.

OPERATIONS

As reported earlier, the company had to discontinue hardware manufacturing in view of the situation. Company was working as Marketing and Support agent to Videsh Sanchar Nigam Ltd.

(VSNL) for their Internet services. The 'sales and other income' includes essentially services revenue and are according lower.

VSNL has, meanwhile, revised the commission structure for their Internet service. After reduction in the per Account rates, the commission is not sufficient to cover the costs of marketing, support and dealer commissions. In view of this, the company is not Marketing of these services. It is concentrating on other Internet related services and consulting on Information Technology (IT) / Software projects. Software and Internet services offers some good opportunities. However, in absence of financial resources the Company has not been able to invest in these projects. Efforts are being made to increase the activity in this area.

The company has been making all possible efforts for recovery of payments from various debtors. Company has filed appeals in the Courts for recovery of large amounts from the Government department for the votes ID card project. Apart from loss of interest, inordinate delays in settlement has effected company's activities severely.

DIRECTORS

During the year, Mr. Parthasarthy Chakraborty, Director resigned. The Board records its appreciation of the valuable services rendered by him for the company.

Mr. Sarvesh Kumar Goorha, Director, retires by rotation and being eligible, offers himself for re-appointment.

Mr. Mohan Lal Garg was appointed as an Additional Director and holds office upto the forthcoming Annual General Meeting, in which he is proposed to be appointed as Director by the shareholders. Directors recommend his appointment.

PARTICULARS OF EMPLOYEES

In pursuance of the provision of section 217 (2A) of the Companies Rules 1975 (Particulars of Employees) the Directors are to report that no em-



ployee was in receipt of remuneration of Rs. 3,00,000/- or above per annum or Rs25000/- or above per month, if employed for a part of the year.

FIXED DEPOSITS

Company has not accepted any deposit under section 58A of the Companies Act, 1956, during the financial year under review.

AUDITORS

M/s Parekh Jalal & Company, the Auditor of the Company will retire at the ensuing Annual General Meeting. It is proposed to reappoint Parekh Jalal & Co. Chartered Accountants, as the statutory auditors of the company for the financial year 1999-2000 at the remuneration to be decided by the Board of Directors.

Notes on accounts cover the points mentioned by the auditors and are self explanatory.

TECHNOLOGY ADOPTION AND ENERGY CONSERVATION

No technology transfer agreement was entered into during this year.

Disclosure of particulars with respect to conser-

vation of energy are not applicable to the company.

FOREIGN EXCHANGE EARNING AND OUT GO

There were no earning or out go of foreign exchange during the year.

ACKNOWLEDGMENT

The Directors have pleasure in recording their appreciation of the assistance extended to the Company by various officials of Central Government, State Government and participating financial Institutions. The Directors would like to express their appreciation of the Co-operation extended by the Company's bankers, Bank of India.

For and on behalf of the Board

Sarvesh Goorha
(Managing Director)
Place : New Delhi
Date : 16/11/99