

REPORT  JUNCTION.COM

29th Annual Report 2003



Mafatlal Centre, 10th Floor,
Nariman Point,
Mumbai 400 021.
Tel : (022) 5632 8000
Fax : (022) 5632 8580



NOTICE TO MEMBERS

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held on the 24th May, 2004 at 3.00 pm at Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021, to transact the following business :

AS ORDINARY BUSINESS

- a.) To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended December 31, 2003 and Report of the Directors and Auditors thereon.
- b.) To declare dividend on Equity Shares for the year ended 31st December, 2003.
- c.) To appoint a Director in place of Mr. Hemendra Kothari who retires by rotation and being eligible offers himself for re-appointment.
- d.) To appoint a Director in place of Mr. Yogesh Kothari who retires by rotation and being eligible offers himself for re-appointment.
- e.) To appoint a Director in place of Mr. Shitin Desai who retires by rotation and being eligible offers himself for re-appointment.
- f.) To consider re-appointment of M/s Deloitte Haskins & Sells as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at a remuneration as may be decided by the Board of Directors and the said auditors.

AS SPECIAL BUSINESS

- (I) To consider, and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution :-

“RESOLVED that subject to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and in modification of the resolution passed by the shareholders on 19th August, 2000, consent of the shareholders is hereby accorded for re-designating Mr. Shitin D. Desai as Executive Vice Chairman with effect from 18th February, 2004.

PROVIDED THAT Mr. Shitin Desai will be liable to retire by rotation;

RESOLVED FURTHER THAT Mr. Shitin Desai shall enjoy the perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) like benefits of Company's furnished accommodation, gas, electricity, water and furnishings, memberships for 2 clubs, personal insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund, gratuity and other retirement benefits, in accordance with the schemes and rules applicable to the employees of the Company from time to time, for the aforesaid benefits;

PROVIDED THAT the aggregate of the remuneration and perquisites/benefits, including bonus and contributions towards Provident Fund, Superannuation Fund and Gratuity Fund payable to all whole time directors of the Company taken together shall not exceed 10% of the profits of the Company calculated in accordance with the provisions of Sections 198, and 309 of the Companies Act, 1956. ”

- (II) To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and in modification of the resolution passed by the shareholders at its meeting held on 27th June, 2003, consent of the shareholders is hereby given for re-designating Mr. Rajeev Gupta as Joint Managing Director w.e.f 18th February, 2004, for a period of 5 years;

PROVIDED THAT Mr. Rajeev Gupta will not be liable to retire by rotation;

PROVIDED FURTHER THAT the aggregate of the remuneration and perquisites/benefits, including bonus and contributions towards Provident Fund, Superannuation Fund and Gratuity Fund payable to all whole time directors of the Company taken together shall not exceed 10% of the profits of the Company calculated in accordance with the provisions of Sections 198, and 309 of the Companies Act, 1956;"

- (III) To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and in modification of the resolution passed by the shareholders at its meeting held on 27th June, 2003, consent of the shareholders is hereby given for re-designating Mr. Amit Chandra as Joint Managing Director w.e.f 18th February, 2004, for a period of 5 years;

PROVIDED THAT Mr. Amit Chandra will not be liable to retire by rotation;

PROVIDED FURTHER THAT the aggregate of the remuneration and perquisites/benefits, including bonus and contributions towards Provident Fund, Superannuation Fund and Gratuity Fund payable to all whole time directors of the Company taken together shall not exceed 10% of the profits of the Company calculated in accordance with the provisions of Sections 198, and 309 of the Companies Act, 1956."

- (IV) To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED that Mr. Raymundo Yu be and is hereby appointed as a Director of the Company."

- (V) To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, including any statutory modifications or re-enactment thereof, for the time being in force (hereinafter referred to as 'Delisting Guidelines'), and, subject to approval, if any, of the Securities and Exchange Board of India, The Stock Exchange, Mumbai and any other appropriate authorities as may be necessary, and, subject to such conditions as may be prescribed by any of them while granting such approvals, consent of the members be and is hereby accorded to delist the shares of the Company from the Stock Exchange, Mumbai, which is the only exchange on which shares of the Company are listed pursuant to Mr. Hemendra Kothari, Mrs. Bindu Kothari, M/s Adiko Investment Private Limited, M/s Biko Investment Private Limited and M/s HMK Investment Private Limited (hereinafter jointly referred to as 'Kothari shareholders') acquiring shares of the Company from the non-promoter/public shareholders in accordance with the Delisting Guidelines."

BY ORDER OF THE BOARD

Mumbai, dated : - 20th March, 2004

Jyoti Vineet Tandon
Company Secretary

NOTES

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member.
2. Instrument of proxy, for use at the above meeting, must be lodged at Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021, not later than 48 hours before the time fixed for the Meeting.
3. Members/Proxies should bring the Attendance slip (attached) duly filled-in for attending the Meeting.
4. The Explanatory Statements as required under Section 173(2) of the Companies Act, 1956 in respect of items I to V are annexed.
5. The Board of Directors has recommended a dividend of Rs. 21.50 per share for the year ended 31st December, 2003. If approved the dividend will be paid to members whose names appear on the Register of Members of the Company on the book closure date.
6. Members are requested to notify immediately any change in their address, if any, to the Company at its Registered Office, quoting their Folio Numbers, to ensure prompt receipt of Dividend Warrants etc.
7. Members desirous of availing ECS facility and holding shares in physical form are requested to fill in the attached form and forward it to the Company/ Sharepro Services at the earliest. Shareholders holding shares in demat form are requested to forward the ECS particulars only to their depository participant (DP) for incorporation in their records. In case you have already forwarded ECS mandate letter last year, you need not forward the same this year unless there is a change in the same.
8. In order to avoid fraudulent encashment of dividend warrants, members are requested to provide the following details of bank account of the sole / first holders to the Company at the earliest, so that the dividend cheque / draft can be drawn accordingly.

Name of the Bank	Branch _____
Account Number	Savings/Current/ Others(please specify)

9. Members are advised that dividends for the years 1999-2000 onwards which remain unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Sec.205A & 205C of the Companies Act, 1956. Shareholders who have not claimed the dividends are requested to lodge their claim with the Company, as under the amended provisions of Sec.205B of the Act, no claim shall lie for the unclaimed dividends from IEPF by the Members.
10. Members are requested to send all their queries to The Company Secretary, DSP Merrill Lynch Limited at Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021 atleast 2 working days in advance.

**Explanatory Statement
(pursuant to Section 173(2) of the Companies Act, 1956)**

Item I, II and III :

The Board of Directors have at its meeting held on 18th February, 2004 re-designated Mr. Shitin Desai as Executive Vice Chairman, and Mr. Rajeev Gupta and Mr. Amit Chandra as Joint Managing Directors of the Company. Pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII, shareholders approval is being sought for the modification in their designations and terms and conditions of appointment. Hence these resolutions.

None of the Directors other than Mr. Shitin Desai, Mr. Rajeev Gupta and Mr. Amit Chandra are in any way concerned or interested in the resolution.

Item IV :

The Board of Directors have at their meeting held on 31st July, 2003 appointed Mr. Raymundo Yu as an Additional Director of the Company. As he was appointed as an Additional Director he holds office only until the conclusion of this Annual General Meeting. Your approval is therefore sought for appointing Mr. Raymundo Yu as a Director of your Company.

Mr. Raymundo Yu is 49 years of age and earned his MBA in international management from the American Graduate School of International Management (Thunderbird), Glendale, Arizona; and Bachelor of Science degree in business administration from Ateneo de Davao University, Davao City, Philippines and is not a member on the Board of any other Indian Company.

Raymundo A. Yu Jr. is a Senior Vice President and Chairman of Asia Pacific Region Head, Europe, Middle East & Africa and Pacific Regions Global Private Client.

The Company has received notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. Raymundo Yu as Director of the Company.

The Board of Directors recommend his appointment as a Director.

None of the Directors other than Mr. Raymundo Yu is in any way concerned or interested in the resolution.

Item No. V

The Company is listed on the Stock Exchange, Mumbai (BSE) since 1976. The shares of the Company are infrequently traded, and presently less than 2.5% of the shares of the Company are held by the public. In June, 2001, the BSE amended clause 40A of the Listing Agreement to provide that where the public shareholding of an existing listed company as on 1st April, 2001 is less than 10%, the Company shall within one year raise the public shareholding to at least 10%, failing which the Company has to be delisted. Members are aware that as the Company had no plans of issuing fresh equity shares and the promoter shareholders did not wish to dilute their shareholdings, the Company had proposed to buy-back the public shareholding and get the shares of the Company delisted, for which necessary shareholders approval was received in February, 2002. However, on applications made for regulatory approvals, the Company was advised that under the Listing Agreement, it was not possible for the Company to buy-back the shares for de-listing and that it was the obligation of the Promoters to acquire the shares pursuant to an open offer under the SEBI Takeover Regulations, which as agreed amongst the Promoters inter-se, will be made by the Kothari Shareholders.

In the meanwhile Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003 ('Delisting Guidelines') incorporating among other things provisions for promoters desirous of delisting securities to obtain approval of shareholders by a special resolution. In the circumstances, approval of the shareholders was obtained in June, 2003. However, since almost a year has lapsed since the resolution was passed, shareholders approval is once again being sought to keep the resolution valid.

None of the Directors except Mr. Hemendra Kothari (being one of the Kothari Shareholders who may acquire shares under the Open Offer) Mr. Yogesh Kothari (relative of Mr. Hemendra Kothari) and Mr. Shitin Desai (who may tender his shares under the Open Offer) may be deemed to be in any way concerned or interested in the resolution.

BY ORDER OF THE BOARD

Jyoti Vineet Tandon
Company Secretary

Mumbai, dated 20th March, 2004



DSP MERRILL LYNCH LIMITED

ATTENDANCE SLIP

TWENTY NINTH ANNUAL GENERAL MEETING ON 24TH MAY, 2004.

I certify that I am a registered member/proxy for the Registered Member of the Company.

I hereby record my presence at the **Twenty Ninth Annual General Meeting** of the Company held at Mafatral Centre, 10th Floor, Nariman Point, Mumbai 400 021, on 24th May, 2004, at 3.00 pm.

Member's Name in Block Letters

Member's Signature



Proxy's Name in Block Letters

Proxy's Signature

NOTES :

1. Members/Proxy holders are requested to bring the attendance slip with them when they come to the meeting and hand it over at the entrance after affixing signature.
2. Members are requested to bring their copy of the Annual Report along with them to the Meeting.



DSP MERRILL LYNCH LIMITED

PROXY FORM

I/We _____ of _____ in the district of _____ being a member/members of DSP Merrill Lynch Limited, hereby appoint _____ of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held on 24th May, 2004 at 3.00 p.m. at Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021 and at any adjournment thereof.

Signed this _____ day of _____ 2004.



NOTE : This form duly completed and signed should be dispatched to reach Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021, not later than 48 hours before the time of the Meeting.

DSP Merrill Lynch Limited

Mafatlal Centre
 10th Floor, Nariman Point
 Mumbai 400 021
 Tel: (022) 5632 8000
 Tel: (022) 2280 4100
 Tel: (Fax) 5632 8580



Dear Shareholder,

Sub : Electronic Clearing Service (ECS) for payment of dividend

Please note that SEBI has made it mandatory for companies to distribute dividends and other cash benefits through ECS to the investors wherever ECS* and bank details are available.

We plan to provide ECS for payment of dividend for the year 2003. By availing ECS facility, shareholders get the following benefits :

1. Dividend will be credited on the due date;
2. Elimination of loss of instruments in transit;
3. Fraudulent encashment of dividend is avoided;
4. Effortless receipt of dividend without visiting the Bank for depositing the warrants.

Under the ECS Scheme, the Company will remit the dividend directly to the credit of shareholders bank account and advice of remittance will be sent to the shareholders.

Considering the benefits involved in ECS for payment of dividend, shareholders are advised to avail this facility.

The shareholders holding shares in physical form are requested to fill in and sign the ECS form printed overleaf and return the same to the agent M/s. Sharepro Services immediately at the address mentioned. Please fill in the form in legible and readable form, preferably in English, in capital letters. Along with the completed ECS form, we request you to forward a copy of the cancelled cheque leaf of your Bank account to ensure that the MICR number appearing therein is correctly filled in as the same is important to ensure proper credit to your account.

The shareholders holding shares in demat form are requested to forward the ECS particulars only to their depository participant (DP) for incorporation in their records. The depository will forward the said information to the Company for necessary action at the time of payment of dividend.

Thanking you,

Yours faithfully,
 For DSP Merrill Lynch Limited

Jyoti Vineet Tandon
 Jyoti Vineet Tandon
 Company Secretary

* ECS Centres	Ahmedabad	Bangalore	Bhubaneshwar	Kolkata	Chandigarh	Chennai	Guwahati	Hyderabad
	Jaipur	Kanpur	Mumbai	Nagpur	New Delhi	Pune	Thiruvananthapuram	

FOR USE BY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

To,
 M/s. Sharepro Services
 Satam Estate, 3rd Floor,
 Cardinal Gracious Road,
 Chakala, Andheri (E),
 Mumbai 400 099.

Sub : Equity Shares of DSP Merrill Lynch Limited to receive dividend through ELECTRONIC CLEARING SERVICES (ECS)

I/We hold equity shares of DSP Merrill Lynch Limited under Folio No. _____.
 I/We request you to arrange for payment of my/ our dividend through ECS and credit the same to my/ our account as per particulars below :

1.	Investor's Name	
2.	Particulars of Bank Account	
A)	Bank Name	
B)	Branch Name	
	Address	
	Telephone no.	
C)	9-Digit Code Number of the Bank & Branch appearing on the MICR cheque issued by the Bank	
D)	Account Type (S.B. Account/ Current Account or Cash Credit) with code 10/11/13.	
E)	Ledger No. / Ledger Folio No.	
F)	Account Number (As appearing on the cheque book)	
	(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque, or photocopy of a cheque issued by your bank for verification of the above particulars)	

I/We hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.

(.....)
 Signature of the First Holder

(.....)
 Signature of the Second Holder

(.....)
 Signature of the Third Holder

In case, the investor is not in a position to give blank "cancelled" cheque or a photocopy thereof a certificate as under may be furnished.

Certificate of the Investor/ customer's bank@

Certificate that the particulars furnished above are correct as per our records.

(.....)
 Signature of the Authorised Official from the Bank

Bank's Stamp :

Date :

@ To be produced only if blank "cancelled" cheque or a photocopy thereof is not furnished.

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Board of Directors

Mr. Hemendra Kothari
Mr. Shitin Desai
Mr. Rajeev Gupta
Mr. Amit Chandra
Mr. Ahmass Fakahany
Mr. Christopher Reeves
Mr. Kevan Watts
Mr. Prem Saigal
Mr. Raymundo Yu
Mr. Todd Kaplan
Mr. Yogesh Kothari
Mr. Ausaf Abbas

Chairman
Executive Vice Chairman
Joint Managing Director
Joint Managing Director

Alternate to Mr. Raymundo Yu

Company Secretary

Ms. Jyoti Vineet Tandon

Auditors

Deloitte Haskins & Sells

Bankers

Bank of America
Citibank N. A.
Deutsche Bank A. G.
HDFC Bank Ltd.
ICICI Bank Ltd.
Standard Chartered Bank
State Bank of India
The Honkong and Shanghai Banking Corporation Ltd.

Registered Office

Mafatlal Centre, 10th Floor
Nariman Point
Mumbai - 400 021