

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the shareholders of the Company will be held at The Little Theatre Group, Copernicus Marg, New Delhi-110001 on Wednesday, the 15th September, 2010 at 11.30 a.m. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To consider, and if thought fit, to declare a dividend.
3. To appoint a director in place of Mr. Ashoke Bir who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and to fix their remuneration.

AS SPECIAL BUSINESS

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

"RESOLVED THAT subject to the provisions of Section 198, 269, 309, 310 and 311 and other applicable provisions of the Companies Act, 1956, and subject to such approvals as may be necessary the Company accords its consent to the re-appointment of Mr. Kumar Srinivasan as Wholetime Director of the Company for a further period of five years with effect from 27th September, 2010 on the existing terms and conditions as mentioned in the explanatory statement annexed herewith.

RESOLVED FURTHER THAT the aforementioned existing remuneration excluding Commission be paid to the Wholetime Director as the minimum remuneration in case of absence of or inadequacy of profits.

RESOLVED FURTHER THAT the Wholetime Director shall discharge such duties as may be assigned to him by the Board or the Chairman from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary the remuneration as specified in the explanatory statement to the extent the Board considers necessary and appropriate provided however that such variations are within the permissible limits laid down in the Companies Act, 1956 or Schedule appended thereto for the time being in force or any statutory modification or re-enactment thereof and/or rules or regulations framed thereunder."

By order of the Board of Directors

Sd/-

Inderdeep Singh
Director

New Delhi
27th July, 2010

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. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item no. 5, is annexed thereto and forms an integral part of the notice.

3. The Register of Members shall remain closed from 13th September, 2010 to 15th September, 2010 (both days inclusive).
4. Members are requested to intimate change, if any, in their registered address immediately so as to reach the Company as early as possible.
5. Members/Proxies should bring their attendance slips sent herewith, duly filled in, for attending the meeting.
6. Members are requested to send their queries, if any, in writing, so as to reach the Company's registered office at least 10 days before the date of the meeting so that information can be made available at the meeting.
7. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual report to the meeting.
8. Pursuant to Section 205A(5) of the Companies Act, 1956, all unclaimed/unpaid dividend as at 31st March, 2010 remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government. Members are requested to contact the Company's registered office in respect of unclaimed/unpaid dividends declared for the year ended 31st March, 2003 onwards.

By order of the Board of Directors
Sd/-

New Delhi
27th July, 2010

Inderdeep Singh
Director

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 for the item No. 5:

Mr. Kumar Srinivasan was re-appointed as the Wholetime Director of the Company with the approval of shareholders accorded by resolution dated 29th July, 2005, for a period of five years from 27th September, 2005. On the expiry of the current term, the Board of Directors of the Company at their meeting held on 27th July, 2010 has re-appointed him for a further period of five years on the existing remuneration. The existing remuneration payable to him is within the limits laid down under Schedule XIII appended to the Companies Act, 1956.

The following are the terms and conditions of his re-appointment:-

- i. Salary : Rs.57000/- per month
- ii. Perquisites : In addition to the salary, the following perquisites shall also be provided. The perquisites are classified into three categories A, B, & C as follows :-

Category-A :

1. Housing :

Expenditure by the Company on hiring unfurnished accommodation subject to a ceiling of sixty percent of the salary, over and above ten percent payable by the Wholetime Director.

If the Company does not provide accommodation to the Whole-Time Director, house rent allowance will be paid by the Company as above.

If accommodation in a Company-owned house is provided, the Wholetime Director shall pay to the Company by way of rent ten percent of the salary.

2. Medical Reimbursement :

Reimbursement of expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

3. Leave Travel Concession :

For self and family, once in a year incurred in accordance with the rules of the Company.

4. Club Fees :

Fees of one club, but this will not include admission and life membership fees.

Category-B :

1. Company's contribution towards provident fund as per the rules of the Company.
2. Gratuity as per the rules of the Company.

Category-C :

1. Provision of Car for use on Company's Business :

Car to be provided at the expenses of the Company for the performance of official duties. But the use of Car for personal purpose will be billed by the Company to the Whole-Time Director.

2. Telephone :

Telephone to be provided at the residence at the expense of Company, but personal long distance calls will be billed by the Company to the Wholetime Director.

3. Others :

In addition to the above, Mr. Kumar Srinivasan will be allowed all such perquisites as may be allowed to other senior officers of the Company from time to time.

The notice and the explanatory statement may also be treated as an abstract of the terms of re-appointment and payment of existing remuneration to the Wholetime Director as required under Section 302 of the Companies Act, 1956.

None of the directors except Mr. Kumar Srinivasan is interested in this resolution."

The terms of appointment of Mr. Kumar Srinivasan will be open for inspection during the office hours at the registered office.

New Delhi
27th July, 2010

By order of the Board of Directors
Sd/-
Inderdeep Singh
Director

DIRECTORS' REPORT

The Directors have the pleasure of presenting the Twenty Eighth Annual Report of your Company for the financial year ended 31st March 2010.

Financial Results

The total income during the year under review was Rs 55.0 lacs. The Pre-Tax profit was Rs 15.5 lacs as against a pre-tax profit of Rs 18.1 lacs in the previous year after providing for depreciation of Rs.0.1 lacs. A provision of Rs 2.4 lacs has been made for taxation in the current year.

After adjusting for deferred tax, the net profit was Rs 13.2 lacs. No amount has been transferred to the General Reserve. The book value per share as on 31st March 2010 was Rs.23.4.

Dividend

The Directors recommend for consideration of the shareholders at the ensuing Annual General Meeting payment of Dividend @5% for the year ended on 31st March 2010.

Future Outlook

Unprecedented Government interventions and exceptionally large interest rate cuts by the central banks in advanced and emerging economies have contributed significantly to pull the global economy out of the deepest recession since the World War II.

After a difficult year, the Indian economy has also shown some signs of progress on the recovery path. Exports have begun to expand since the second half of 2009. Recovery in the industrial sector is expected to become stronger on the back of rising domestic and external demand. Tourist arrivals, commercial vehicles production and traffic at major ports have also shown improvement. However, inflation rose dramatically and is taking a long time to come down.

The International Monetary Fund predicts that the Indian economy will grow at 9.5% in 2010. However, the Reserve bank of India has been more conservative in its estimate of 8% growth for the country's economy.

While the indicative projections of growth and inflation for 2010-11 may appear reassuring, there are several concern areas. The pace and shape of global recovery are uncertain. Commodity and energy prices may harden further. An unfavourable monsoon may trigger further food inflation and impose a fiscal burden besides dampening consumer and investment demand.

In its current business segment, the Company can hope to be somewhat insulated from these vagaries and pursue its efforts in building up this segment in the coming years.

Public Deposits

The Company has no public deposits.

Directors

Mr. Ashoke Bir, Director of the Company retires by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Directors' Responsibility Statement

The Directors confirm that in preparation of the annual accounts for the year ended 31st March 2010:-

- i. All applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. Appropriate accounting policies have been selected and the same have been applied consistently;
- iii. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss account for year ended 31st March 2010.

- iv. Proper and sufficient care was taken 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 frauds and other irregularities.
- v. The accounts have been prepared on a going concern basis.

Conservation of Energy and Technology Absorption

i. Conservation of Energy

The Company did not carry out any manufacturing activity during the year under review. The consumption of electricity continues to be minimal.

ii. Technology Absorption

This is not applicable to the Company as it has not purchased or acquired any technology during the year under review

Foreign Exchange Earning & Outgo

During the year under review, there was no foreign exchange outflow or earnings.

Auditors' Observations

The observations made in the Auditors' Report are self-explanatory. As such no further comments under Section 217(3) of the Companies Act, 1956 are required.

Auditors

M/s. Raghu Nath Rai & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

Particulars of Employees

The Company has not paid any remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Hence, no information is appended to this Report.

Secretarial Compliance Certificate

Pursuant to Section 383A(1)(a) of the Companies Act, 1956, a Compliance Certificate issued by M/s P. S. Soni & Co., Company Secretaries in Whole-time Practice is annexed hereto and forms part of this report..

Acknowledgement

Lt Gen. I D Verma, a renowned and a highly respected officer of the Indian Army, and a founder Director of the Company passed away on 30th October, 2009. Through his experience, wisdom and personal commitment to the highest standards of integrity, Lt. Gen. I D Verma was constantly involved in guiding the Company since its formative days. The Board of Directors places on record its great appreciation for the untiring efforts put in by him over all these years.

The Directors place on record their appreciation to the Shareholders, Associates, Bankers, Customers, Vendors, Officers and Staff of the Company and seek their continued cooperation and support for the current year.

For and on behalf of the Board of Directors
Sd/-

Gurpreet Singh
Chairman

New Delhi
27th July, 2010