

3rd
ANNUAL REPORT
1998-99



INDUS NETWORKS LIMITED

INDUS NETWORKS LIMITED

BOARD OF DIRECTORS:

Shri. S.T.Prasad	Managing Director
Shri. Narendra Luther	Director
Shri. N.R.Ganti	Director
Smt. S.Dhanalakshmi	Director

REGISTERED OFFICE:

6-3-698/A,
PAWANI PLAZA, 3RD FLOOR,
PANJAGUTTA,
HYDERABAD - 500 082

AUDITORS

M/s. Kumar & Giri
Chartered Accountants
Hyderabad

BANKERS

ICICI Banking Corporation Ltd.,
Hyderabad.

NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the Company "INDUS NETWORKS LIMITED" will be held on Wednesday, the 29th day of September, 1999, at the Registered Office of the Company at 6-3-698/A, Pawani Plaza, 3rd Floor, Panjagutta, Hyderabad - 500 082 at 4:00 PM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet of the Company as on 31st March, 1999 and the profit and loss account for the year ended 31st March, 1999 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri N.R.Ganti, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. Kumar & Giri, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company. The retiring Auditors M/s. Kumar & Giri, Chartered Accountants, Hyderabad, are eligible for reappointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 260 and other applicable provisions, if any, of the Companies Act, 1956, Shri S.T.Prasad be and is hereby appointed as Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 198,269,309,310,311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri S.T.Prasad, Director of the company be and is hereby appointed as the Managing Director of the Company for a period of three years with effect from 3rd February, 1999.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 260 and other applicable provisions, if any, of the Company Act, 1956, Smt.S.Dhanalakshmi be and is hereby appointed as Director of the Company."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs.50 (Fifty) lakhs to Rs.10 (ten) crores, by further creation of 95,00,000 Equity shares of Rs.10/- (Rupees ten only) each which shall rank pari passu with the existing equity shares of the Company.”

“FURTHER RESOLVED THAT the Clause V of the Memorandum of Association of the Company be altered as follows:.

The Authorized Share Capital of the Company is Rs.10 Crores (Rupees ten crores only) divided into 1,00,00,000 Equity Shares of Rs.10/- (Rupees ten only) each with power to increase and reduce the capital to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Company and the Companies Act, 1956, and to vary, modify or abrogate such rights, privileges and conditions in such manner as may for the time being provided by the regulations of the Company.”

“RESOLVED FURTHER THAT Article 3 of the Articles of Association of the Company be altered as follows:

The Authorized Share Capital of the Company is Rs.10 Crores (Rupees ten crores only) divided into 1,00,00,000 Equity Shares of Rs.10/- (Rupees ten only) each.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 81(1-A) and other applicable provisions, if any, of the Companies Act, 1956 and enabling provisions in the Articles of Association of the Company and subject to the approval of the Financial Institutions (FI's), Reserve Bank of India (RBI) and other concerned authorities, if any, to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as “Board”) and/or a duly authorised Committee of the Directors (hereinafter referred to as “Committee”) thereof for the time being exercising the powers conferred by the Board the consent of the Company be and is hereby accorded to the Board and/or a duly authorised Committee thereof to issue/offer either at par or at

premium, equity and/or convertible debentures (fully or partly) and/or non-convertible debentures or any other securities, all or any of the aforesaid with or without detachable or non-detachable warrants and/or warrants of any nature and/or secured, premium notes and/or floating rate notes bonds and/or any other financial instruments (hereinafter for brevity's sake referred to as securities") to be subscribed either in rupees/foreign currency (ies) as the Board at its sole discretion may at any time(s) hereinafter decide, which securities when issued or allotted would ultimately result in an increase in the paid-up equity share capital of the Company to an amount not exceeding Rs.10 Crores (Rupees ten crores only), the Share Capital component of the Authorized Share Capital of the Company as stated in the Share Capital Clause of the Memorandum and Articles of Association of the Company, to the Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Companies, other entities/authorities and to such other persons, whether through public issue, private placement, exchange of Securities, conversion of loans or otherwise and for general corporate purposes including capital expenditures, working capital requirements, strategic investments, mergers, amalgamations, acquisitions, reconstruction, or arrangements or any other re-organizations, as the Board may deem fit and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranches, with or without voting rights in General Meetings/Class Meetings of the Company as may be permitted under the prevailing laws at such price or prices or in such manner as the Board or committee thereof may on its absolute discretion think fit in consultation with the Lead Managers, Underwriters, Advisors and such other person(s) and on such terms and conditions including the number of Securities to be issued, face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity shares to be allotted on conversion/redemption/extinguishment of debts, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants and/or any other financial instrument(s), period of conversion, fixing the record date or book closure and related or incidental matters."

"RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed, may be disposed of by the Board/Committee thereof, to such person(s) and in such manner and on such terms as the Board or the Committee may in its all absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/Investment Institutions / Mutual Funds / Foreign Institutions Investors or such other person(s) or otherwise as the Board or Committee thereof may in its absolute discretion decide.

"RESOLVED FURTHER THAT the consent of the company be and is hereby given to the Board of Directors in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to sell, lease, dispose, mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company in such form and manner and with

such ranking and at such time and on such terms as the Board may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to takeover the management of the business and concern of the Company in certain events of default in favour of the Agents, and Trustees/Lenders for securing the Securities (if they comprise of fully/partly secured Convertible Debentures and/or secured Non-Convertible Debentures with or without detachable or Non-Detachable Warrants or secured premium notes, floating rate notes/bonds or other secured debt instruments) together with interest and further interest thereon, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium (if any) on redemption, all other costs, charges and expenses payable by the Company in terms of the Trust Deed / other documents to be finalized and executed between the Company and the Agents and Trustees / Lenders and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Agents and Trustees / Lenders."

"RESOLVED FURTHER THAT for the above purpose, the Board/Committee be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion thinks necessary, proper or desirable and to settle any question, difficulty or doubt that may arise with regard to the offer/issue, allotment and utilization of the proceeds of issue of the securities and further to do all such acts, deeds matters and things in respect of appointment of Lead Managers, Registrars, Bankers, Trustees, Agents, Lenders, Brokers and Underwriters and to finalize and execute all such deeds, documents and writing as may be necessary, desirable or expedient as it may deem fit."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company be and is hereby granted to the Board of Directors to sell, lease, dispose of, mortgage and/or charge in addition to the mortgages/charges, created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, all or any of the movable or immovable s of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of any bank(s) and/or Financial institution(s) for securing the loans sanctioned or to be sanctioned by them as per the

terms and conditions stipulated in that behalf and agreed to between the Board of Directors and the respective Bank(s)/Financial Institution(s)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion consider necessary, proper or desirable for the aforesaid purpose."

9. To consider and if, thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent be and is hereby accorded to the Board of Directors of the Company to borrow monies from time to time, but so that the monies to be borrowed together with the monies already borrowed by the Company, for the time being (apart from temporary loans obtained Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, but shall not exceed the amount of Rs 10(Ten only) crores at any one time."

By Order of the Board
For INDUS NETWORKS LIMITED

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PLACE: HYDERABAD
DATE : 02/09/1999

S.T.PRASAD
MANAGING DIRECTOR

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy and such Proxy need not be a member of the company. Proxies duly stamped and signed must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting.
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the Members at the Registered Office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.

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

Item No.4

Shri S.T.Prasad was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 3rd February, 1999, who holds office up to the date of the ensuing Annual General Meeting of the Company.

Notice required by Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Shri S.T.Prasad as Director.

Shri S.T.Prasad, was appointed as Managing Director of the Company for a period of 3 years with effect from 3rd day of February, 1999 of the Board Meeting held on 03.02.1999.

The Directors recommend the resolution set out at Item No.4 of the Notice for the approval of the members.

None of the Directors except Shri S.T.Prasad and Smt.S.Dhanalakshmi, is interested or concerned in the said resolution.

Item No.5

Smt.S.Dhanalakshmi was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 16th July, 1999, who holds office up to the date of the ensuing Annual General Meeting of the Company.

Notice required by Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Smt.S.Dhanalakshmi as Director.