

**6<sup>TH</sup>**

**ANNUAL REPORT  
FOR THE PERIOD ENDED  
31st MARCH, 2003**



**INDUS**

**INDUS NETWORKS LIMITED**



## INDUS NETWORKS LIMITED

### BOARD OF DIRECTORS

**MANAGING DIRECTOR** : SHRI S.T. PRASAD

**DIRECTORS** : SHRI ABDUL HAFEEZ ABBASI  
: SHRI S.RAVI SHANKER  
: SHRI B.A.KISHORE  
: SHRI R.K.MEHTA

**DY. COMPANY SECRETARY** : SMT SHAIK RAZIA

**AUDITORS** : M/s KUMAR & GIRI  
CHARTERED ACCOUNTANTS

**BANKERS** : 1. Bank of Baroda,  
Masab Tank Branch, Hyderabad  
  
2. Centurion Bank Limited  
Punjagutta Branch, Hyderabad  
  
3. Central Bank of India  
Hyderabad Main Branch, Hyd.  
  
4. BNP Paribas Bank  
Punjagutta Branch, Hyderabad

**REGISTERED OFFICE** : 6-3-698/A, 2<sup>nd</sup> Floor, Pawani Plaza,  
Punjagutta, Hyderabad – 500082  
Ph. : 040 - 2340 9595, 55629265 & 55629268  
Fax : 040 - 23409594  
E-Mail – info@indusnetworks.com

**REGISTRARS & TRANSFER AGENTS** : Bigshare Services Private Limited  
E/2, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai – 400 072  
Ph No. : 022 – 2852 3474  
Fax : 022 – 2852 5207

**SECURITIES LISTED AT** : 1. The Hyderabad Stock Exchange Limited,  
Hyderabad  
2. The Stock Exchange, Mumbai  
3. The Stock Exchange, Ahmedabad  
4. Pune Stock Exchange Limited, Pune



## INDUS NETWORKS LIMITED

### NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of the Company will be held on Tuesday, 17<sup>th</sup> June, 2003 at Naina Gardens, Kukatpally, Hyderabad-500 072 at 02.30 pm to transact the following business :

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2003 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2003 and the reports of the Directors and Auditors thereon.
2. To re-appoint Shri R.K. Mehta, Director of the Company retiring by rotation.
3. To reappoint 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 on a later date. M/S Kumar & Giri,, Chartered Accountants, Hyderabad, being eligible, offers themselves for reappointment.

#### **SPECIAL BUSINESS :**

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

“RESOLVED THAT Shri S.T. Prasad, who was appointed as an Additional Director and Managing Director of the Company with effect from 20.03.2003 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as the Director of the Company”.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 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 Managing Director of the company for a period of 5 years w.e.f.20.03.2003 on a remuneration fixed as per the following terms and conditions.



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1. Salary Rs. 30,000/- per month
2. Perquisites shall be restricted to an amount equal to Rs. 25,000/- p.m.

In case of loss or inadequacy of profits in any financial year(s) of the Company, Shri S.T. Prasad shall be entitled to receive the remuneration and perquisites as aforesaid provided that the total shall not exceed the limit of Rs.6,60,000/- per annum."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to suitably enhance the remuneration of Shri S.T. Prasad in the event of achieving substantial profits by the company in future"

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

RESOLVED THAT pursuant to the provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 Smt. S.Dhanalakshmi, Wife of Shri S.T. Prasad, Managing Director of the Company, be and is hereby appointed as Chief Executive Officer of the Medical Transcription Department of the Company w.e.f. 01-04-2003 on a remuneration of Rs. 19500/- per month.

PLACE : HYDERABAD

DATE : 17.05.2003

BY ORDER OF THE BOARD

S.T. PRASAD  
Managing Director



## INDUS NETWORKS LIMITED

### 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. Members/proxies are requested to bring alongwith them Annual Reports being sent to them.
3. The Share Transfer Books and Register of Members of the company will remain closed during the period from 17<sup>th</sup> June, 2003 to 18<sup>th</sup> June, 2003 (both days inclusive).
4. 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.
5. The registration of share transfers and other related correspondence will be dealt with by the Company at it's Registrar & Share Transfer Agents - Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400072. Members are requested to update this information and make all future correspondence, if any, at the above address.
6. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed.
7. The members are requested to :
  - (a) intimate to the Company, changes, if any, in their registered address at an early date;
  - (b) quote ledger folio number in all their correspondence;
  - (c) bring their copy of the annual report and the attendance slip duly filled in, at the Annual General Meeting.



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### **ANNEXURE TO THE NOTICE**

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

#### **ITEM NO.3**

#### **BRIEF PROFILE OF SHRI R.K.MEHTA, DIRECTOR, WHO RETIRES BY ROTATION AND IS ELIGIBLE FOR RE-ELECTION.**

Shri R.K.Mehta has been appointed as a Director of the company at the Annual General Meeting held on 21<sup>st</sup> March, 2002 to hold office up to the date of the ensuing Annual General Meeting of the Company.

Shri R.K.Mehta is a professional having B-Tech (Mechanical) as his qualification. He got a vast experience in the field of technology and in other fields which are very much useful for the growth of the company.

Thus, keeping in view his qualification and vast experience, your directors recommend the aforesaid appointment.

None of the Directors except Shri R.K.Mehta are interested or concerned in the said resolution.

#### **ITEM NO.4**

#### **APPOINTMENT OF SHRI S.T. PRASAD AS THE MANAGING DIRECTOR OF THE COMPANY FOR A PERIOD OF 5 YEARS.**

Shri S.T. Prasad was appointed as an Additional Director of the company at the Board Meeting held on 20<sup>th</sup> March, 2003 to hold office up to the date of the ensuing Annual General Meeting of the Company. He was appointed as Managing Director wef 20-03-2003.

Notice as required under 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. It is also considered necessary to appoint him as the Managing Director.



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Shri S.T. Prasad is an Electrical Engineer and has done M.S. in Computers from Wayne State University, Mucilage, U.S.A. He has got varied experience of 15 years in diverse fields in India and Abroad which is useful for the Company's development.

Thus, keeping in view his qualification and vast experience, your directors recommend the aforesaid appointment.

None of the Directors except Shri S.T. Prasad are interested or concerned in the said resolution.

### **ITEM NO.5**

#### **APPOINTMENT OF SMT. S. DHANALAKSHMI AS CEO OF THE MEDICAL TRANSCRIPTION DEPARTMENT OF THE COMPANY.**

Smt. S. Dhanalakshmi was appointed as Chief Executive Officer of the Medical Transcription Department of the Company at the Board Meeting held on 17th May, 2003 w.e.f. 01-04-2003. She is wife of Shri S.T. Prasad, Managing Director of the Company as such it attracts the provisions of Section 314(1) of the Companies Act, 1956.

Therefore the Directors recommend the aforesaid appointment for your approval

None of the Directors except Shri S.T. Prasad are interested or concerned in the said resolution.

**PLACE : HYDERABAD**

**DATE : 17.05.2003**

**BY ORDER OF THE BOARD**

**S.T. PRASAD**  
Managing Director



## INDUS NETWORKS LIMITED

### DIRECTORS' REPORT

Your Directors have pleasure in presenting the Sixth Annual Report together with the Audited Accounts for the period ended 31<sup>st</sup> March, 2003, comprising of 15 months from 01.01.2002 to 31.03.2003.

#### Company's Performance :

Your Directors hereby report that the Company has achieved a turnover of Rs.1524 lakhs upto 31.03.2003 consisting of fifteen (15) months, as against the turnover of Rs. 2802 lakhs during the previous financial year ended 31.12.2001 consisting of fifteen (15) months.

The highlights of the financial results are as follows: -

Particulars	(Rs. In lacs)	
	2002 – 2003 From 01/01/2002 To 31/03/2003 (15 Months)	2000 – 2001 From 01/10/2002 To 31/12/2001 (15 Months)
Profit before Depreciation & Interest	134.79	195.09
Interest	14.60	34.27
Depreciation	119.00	140.13
Profit before tax	1.19	20.70
Provision for tax	0.09	3.46
Profit after tax	1.09	17.23
Amount brought forward	323.42	306.19
Amount available for appropriation	324.51	323.42
Share Premium	639.89	639.89
<b>APPROPRIATIONS:</b>		
Proposed Dividend & Tax Thereon		
: Equity	----	----
Balance carried forward	964.41	963.31

#### Business Operations:

Your Company is striving to further develop its business operations in the following areas :

##### 1. Software Services and Solutions

It includes development and delivery of business applications, back-end maintenance and service of portal sites, networking and systems integration services constitute the activities of this business stream.





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### 2. e Health Services

It includes B2B Healthcare Service and Solutions provider market for interactive healthcare management solutions to enhance the efficiency and profitability of medical practices. Further it has developed proprietary online tools that are designed for hospitals, healthcare practitioners, medical organizations and their administrative staff.

### 3. Enclaved Services Model

It includes the entire infrastructure needed to execute a particular project for clients spread around the globe. This is mainly focused on clients who are information technology startups who lack the level of quality and infrastructure needed to execute a large scale project. Further it is on the verge of signing contracts for executing this model for clients located in both Europe and the United States.

### Industrial Relations :

Your directors are happy to report that the industrial relations have been extremely cordial at all levels throughout the year.

### Listing of Company's Securities :

Your Company's shares are currently listed on Hyderabad, Mumbai, Ahmedabad and Pune Stock Exchanges. The listing fee is paid to Mumbai and Hyderabad Stock Exchanges.

### Dematerialisation of Shares :

Your Company's shares are activated for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for offering depository services to the shareholders from 2<sup>nd</sup> March, 2000 and 25<sup>th</sup> August, 2000 respectively.

### Fixed Deposits :

The Company has not accepted any fixed deposits and the provisions of Section 58A of the Companies Act, 1956 are not applicable.

### Personnel :

Information in accordance with Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable since none of the employees are receiving the remuneration as mentioned in the said section.

### Directors :

1. Shri Abdul Hafeez Abbasi, Managing Director of the Company, has rendered his resignation w.e.f.20.03.2003 due to his other preoccupations. His resignation was accepted by the Board after expressing appreciation and gratitude of his valuable services during his tenure. However he is continuing as Director of the Company.
2. Shri R.K.Mehta appointed as Director of your Company w.e.f.21.03.2002 at the Annual General Meeting held on 21.03.2002 shall be liable to retire by rotation at this Annual General Meeting of your Company and being eligible offers himself for re-appointment.



## **INDUS NETWORKS LIMITED**

### **Directors' Responsibility Statement :**

Your Directors' state :

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
2. that they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent 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 or loss of the Company for that period.
3. that they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. that they had prepared the annual accounts on a going concern basis.

### **Auditors :**

The Company's Auditors M/s Kumar & Giri, Chartered Accountants, Hyderabad, who retire at the ensuing Annual General Meeting of your Company, being eligible offers themselves for reappointment.

Your Board of Directors recommended the appointment of M/S Kumar & Giri, Chartered Accountants, Hyderabad, as Statutory Auditors of your Company. Your approval for such appointment is solicited.

### **Corporate Governance :**

A detailed report on Corporate Governance has been included separately in the Annual Report.

### **Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo:**

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is not furnished since the operations of the Company are not energy intensive. However, the Company has endeavoured to conserve energy consumption wherever feasible.

### **Technology absorption, Adaptation and Innovation**

The Company's business demands continuous efforts and adaptation to changing technologies to stay competitive in the rapidly changing world. Significant efforts have been made by your Company towards constantly absorbing, adapting and deploying new technologies. These are expected to give substantial benefits in the future.