

# 15th ANNUAL REPORT 2007 - 08



**NCJ INTERNATIONAL LIMITED**

## BOARD OF DIRECTORS

SH. BIPIN AGARWAL

CHAIRMAN CUM MANAGING DIRECTOR AND  
COMPANY SECRETARY

SH. PARVEEN TAYAL

DIRECTOR

SH. SATISH GOEL

DIRECTOR

SH. VIRENDRA TRIPATHY

DIRECTOR

SH. SUNIL JAIN

DIRECTOR

SH. MUKESH GUPTA

ADDITIONAL DIRECTOR

## AUDITORS

**ANIL PRAHLAD & CO.**

C-42, RDC, RAJ NAGAR

GHAZIABAD -201002 (U.P.)

## BANKERS

CORPORATION BANK

HDFC BANK

AXIS BANK

HSBC BANK

## REGISTERED OFFICE

313-315, VIKAS DEEP BUILDING

DISTRICT CENTRE, LAXMI NAGAR

MAIN VIKAS MARG

NEW DELHI-110092

PH:- 43020300, 43020318

FAX: 22424291

## SHARES TRANSFER AGENT

(For Physical & Electronic mode)

**M/s. ALANKIT ASSIGNMENT LTD.**

(Unit :- NCJ International Limited)

2E/21, ALANKIT HOUSE

JHANDEWALAN EXTN.

NEW DELHI-110055

PH.: 42541234, 42541959-60

**NOTICE**

**NOTICE** is hereby given that 15<sup>th</sup> Annual General Meeting of Members of the Company will be held at 9:00 A.M on Tuesday the 30<sup>th</sup> day of September 2008 at the Registered Office of the company at 313-315, Vikas Deep Building, District Center, Laxmi Nagar, Main Vikas Marg, New Delhi-92 to transact the following businesses:

**ORDINARY BUSINESSES:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2008, the Profit and Loss Account and Cash Flow Statement for the year ended on that day and the report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Satish Goel, who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint a Director in place of Sh. Virendra Tripathy, who retires by rotation and being eligible, offer himself for reappointment.
4. To consider & if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s Anil Prahlad & Co., Chartered Accountants, the retiring Auditors of the Company be and is hereby re-appointed to hold such office until the conclusion of the next Annual General Meeting at the remuneration to be fixed by the Audit Committee of Board of Directors of the Company."

**SPECIAL BUSINESSES:**

5. **To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** Sh. Mukesh Gupta who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 10, 2008 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation."

6. **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 Sections 198, 269, 309, 310, Schedule XIII of the Companies Act, 1956 and any other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby granted, with effect from 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2010, to pay to Sh. Bipin Agarwal, who was appointed for a period of five (5) years as the Managing Director of the Company on 31<sup>st</sup> August, 2005, remuneration and benefits ( salary as determined and approved by the remuneration committee but not exceeding Rs. 50,00,000/- per annum, commission @ 1% of the Net Profit computed in accordance with section 349 and 350 of the Act, gratuity as per rule of the company but not exceeding half month's salary for every completed year of service which shall not be treated as part of minimum remuneration, privilege leave encashment as per rule of the company but limited to half month's salary which shall be not treated as part of minimum remuneration, Contribution to P.F. not exceeding 12% of salary, allowances by whatever name called and all perquisites i.e. car, telephone etc. including reimbursement of medical expenses and all these shall not be treated as part of minimum remuneration, facility of foreign trip, once in a year, of his family comprising himself, his wife and his children subject to approval of the Board / Committee) so however put together shall not exceed 5 % of the net profits of the Company, as computed under Sections 349 and 350 of the Companies Act, 1956."

**“RESOLVED FURTHER THAT** where in any financial year, during the currency of tenure of Sh. Bipin Agarwal as the Managing Director, the Company has no profit or its profits are inadequate, he be paid the remuneration and benefits, as cited above, in terms of Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 which may be determined, approved and paid on a pro-rata basis every month or on annual basis at the discretion of the Remuneration Committee of the Board of Directors of the Company, which may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits prescribed under Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.”

**“FURTHER RESOLVED THAT** approval of the Company be and is hereby granted to ratify the payment of the remuneration and benefits, as cited above, made to Sh. Bipin Agarwal, Managing Director between the period starting from 1<sup>st</sup> April, 2007 to 31<sup>st</sup> August, 2008, @ Rs. 1,00,000/- per month for the financial year 2007-08 and Rs. 1,25,000/- per month from April to August of the financial year 2008-09, in additions to the perquisites, as cited above, being determined and approved by the Remuneration Committee of the Board of Directors of the Company and being within the maximum limits prescribed under Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956, since the Company's had inadequate profits during this period.”

**By order of the Board**

Place: New Delhi  
Date: August 25, 2008

**BIPIN AGARWAL**  
**Chairman**

## **NOTES:**

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Member and Transfer Book of the Company will remain closed from the 22<sup>nd</sup> September, 2008 to 30<sup>th</sup> September 2008. (Both days inclusive)
4. All the documents referred in the accompanying notice are open for inspection at the registered office of the Company during the office hours on all working days between 11:00 A.M to 1.00PM up to the date of Annual General Meeting.
5. Members seeking any information or having queries with regards to accounts are requested to write the Company seven day in advance so as to enable the management to keep the information ready.
6. Members / proxies should bring their attendance slips duly completed for attending meeting.
7. Members are requested to notify any change in address, if any under their signatures to the Company at its registered office of the Company, quoting Folios Nos.
8. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID number on the attendance slip for easy identification of attendance at the meeting.
9. Shares of the Company are compulsorily traded in demat mode. The Company has entered in to agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerialisation of shares.
10. As per SEBI direction for having Common Transfer Agency for physical as well as demat mode, the Company has appointed M/s. Alankit Assignments Ltd., as R&TA for both modes.

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

### **Item No-5**

The Board has appointed Sh. Mukesh Gupta as an Additional Director under Section 260 of the Companies Act, 1956 ("Act") by the Board of Directors of the Company in their meeting held on 10<sup>th</sup> June 2008 and who is to hold the office upto the date of this Annual General Meeting. As per requirements of Section 257 of the Act a notice has been received from a member with a deposit of Rs. 500/- signifying his intention of proposing the candidature of Sh. Mukesh Gupta for appointment as Director, liable to retire by Rotation."

The Board of Directors recommends the passing of this resolution as an Ordinary Resolution as set out in Item No- 5 of the Notice.

None of the Directors except Sh. Mukesh Gupta is concerned or interested in this resolution.

### **Item No-6**

#### **VARIATIONS IN THE TERMS OF APPOINTMENT OF THE MANAGING DIRECTOR AND PAYMENT OF REMUNERATION**

The Remuneration Committee of the Board had in its meeting held on 27<sup>th</sup> April, 2007, subject to the provisions of Sections 198, 269, 309, 310, Schedule XIII of the Companies Act, 1956 and any other applicable provisions of the Companies Act, 1956, determined and approved the remuneration and benefits (salary @ Rs. 1,00,000/- per month during the financial year 2007-08, Rs. 1,25,000/- per month during the financial year 2008-09 and Rs. 1,50,000/- per month during the financial year 2009-10, commission @ 1% of the Net Profit computed in accordance with section 349 and 350 of the Act, gratuity as per rule of the company but not exceeding half month's salary for every completed year of service which shall not be treated as part of minimum remuneration, privilege leave encashment as per rule of the company but limited to half month's salary which shall be not treated as part of minimum remuneration, Contribution to P.F. not exceeding 12% of salary, allowances by whatever name called and all perquisites i.e. car, telephone etc. including reimbursement of medical expenses and all these shall not be treated as part of minimum remuneration, facility of foreign trip, once in a year, of his family comprising himself, his wife and his children subject to approval of the Board / Committee) payable to Sh. Bipin Agarwal, the Managing Director from the period starting from 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2010 within the maximum limits prescribed under Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956, in case of no profit or inadequate profits.

The Remuneration Committee has, in its meeting held on 25<sup>th</sup> August, 2008, now revised and approved, subject to the provisions of Sections 198, 269, 309, 310, Schedule XIII of the Companies Act, 1956 and any other applicable provisions of the Companies Act, 1956, the Remuneration @ Rs. 2,00,000/- per month from 1<sup>st</sup> September 2008 to 31<sup>st</sup> March, 2009 and Rs. 3,00,000/- per month during the financial year 2009-10 and commission, allowances, benefits etc. as cited above, payable to Sh. Bipin Agarwal, the Managing Director, so however put together shall not exceed 5 % of the net profits of the Company, as computed under Sections 349 and 350 of the Companies Act, 1956 and where in any financial year, during the currency of tenure of Sh. Bipin Agarwal as the Managing Director, the Company has no profit or its profits are inadequate, Sh. Bipin Agarwal be paid the remuneration and benefits, as cited above, in terms of Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 which may be determined, approved and paid on a pro-rata basis every month or on annual basis at the discretion of the Remuneration Committee of the Board of Directors of the Company, which may in its absolute discretion pay a lower remuneration and revise the same from time to time within the maximum limits prescribed under Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

The Remuneration Committee has, in their Meetings held on 27<sup>th</sup> April, 2007 and 25<sup>th</sup> August, 2008, determined and approved, subject to the applicable provisions of the Act and within the limit of Clause (B) of Section II of Part II of Schedule XIII of the Act, the remuneration paid / payable to Sh. Bipin Agarwal, hence to approve the variations made in the terms of his appointment as Managing Director and also to ratify as well as to approve the payment of remuneration paid / payable to him, a Special Resolution has to be passed by the members in general meeting.

As per requirements of Clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956 the following disclosures are made for the information of shareholders :-

**General Information :-**

**Nature Of Industry :-** The Company is engaged in Infrastructure Development & Real Estates Business

**Company is not a newly incorporated Company**

**Financial Performance :-** The company's financial performance has been continuously improving and increasing.

**Export Performance & net foreign Exchange collaboration :-** NA

**Foreign Investments or Colloborators if any :-** NA

**Information about the appointee:**

**Background Details :-** Sh. Bipin Agarwal is a commerce graduate and a fellow member of the Institute of the Company Secretaries of India. He has a vast knowledge in Capital Market & Funds Management.

**Recognition or Awards:-** Mr. Bipin Agrawal has a very vast knowledge of the management of the business. He is a member of the Institute of Company Secretaries of India.

**Job Profile & Suitability:-** Sh. Bipin Agarwal is a Managing Director of the Company and is responsible for the day to day workings of the Company. He is responsible for procuring Business.

**Comparative remuneration profile with respect to industry, size of the Company etc :**

Remuneration to Managing Director in the same size of the company in the same industry is higher than the remuneration paid / payable to Sh. Bipin Agarwal.

**Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal,if any:-** Sh. Bipin Agarwal does not have any pecuniary relationship with the Company directly or indirectly or with any of its managerial personal.

**Other Information:**

**Reason for loss or inadequate profits:-** The company has changed its activities from dealing in securities to dealing in reality and any change in activities takes some time to make profitability.

**Steps taken or proposed to be taken for improvement:-** The company has entered into agreements to act as developer to construct commercial complex. It has also executed some collaboration agreements. It has also entered into partnership to do hotel project, commercial complex project etc. It has purchased some properties for construction purpose.

**Expected increase in productivity and profits in measurable terms:-**

The company is confident that it will do very good and will convert insufficient profit into sufficient profit.

**Disclosures:**

None other than Mr. Bipin Agarwal himself and his brother Mr. Parveen Tayal, Director of the company is concerned or interested in this resolution.

**By order of the Board**

Place: New Delhi  
Date : August 25, 2008

**BIPIN AGARWAL**  
Chairman

## DIRECTORS' REPORT

Dear Members,

Yours Directors have pleasure in presenting 15<sup>th</sup> Annual Report of the Company together with the Audited Accounts of the Company for the period ended on 31<sup>st</sup> Day of March, 2008.

Financial Results	2007-08 (Rs.)	2006-07 (Rs.)
1. Total Turnover/ Sale	34551640	31959179
2. Adm. & Operative exp.	4666903	4650108
3. Depreciation	1281640	1008000
4. Profit/ (loss) before tax	10849875	3516441
5. Profit/ (loss) after tax	7214449	2121324

### Dividend

Your Board of directors have decided to plough back the profits and accumulated reserves as the same are required for increasing the operational efficiency of the Company. Taking into view of current policy of the Company, your directors do not recommend any dividend for the financial year 2007-08.

### Operation

The prevalent business environment is conducive to the growth of a construction & infrastructure companies. The construction sector is one of the largest employers in the country.. Your Directors have pleasure in declaring that during the financial year your Company earned a profit of Rs. 1,08,49,875/- before tax.

### The Contracts under execution

Your Company is constructing residential units at Vivek Vihar, Delhi and Commercial units at Vasant Kunj, New Delhi. The Company had entered into a collaboration agreement to construct a commercial complex and the construction work has been going on. The stage of completion / outcome of this construction contract can not be estimated reliably and also recovery of revenue is not probable. Hence the entire expenditure on this construction project has been capitalized.

During the year Company has entered into partnership with M/s. Green Meadows Private Limited under the name of Indogreen International to construct a hotel for commonwealth games for which land has been purchased in auction from DDA.

### Fixed deposit

The Company has not accepted deposit under Section 58A of the Companies Act, 1956 from public during the year under review.

### Directors

**Sh. Satish Goel**, Director, who retires at this Annual General Meeting and being eligible offer himself for reappointment.

**Sh. Virendra Tripathy**, Director, who retires at this Annual General Meeting and being eligible offer himself for reappointment



Yours Directors recommends the appointment of Sh. Satish Goel and Sh. Virendra Tripathy as Directors for your approval.

In accordance with the provisions of Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Board of Directors of the Company appointed Sh. Mukesh Gupta as an additional director of the Company on 10<sup>th</sup> June 2008, whose office is liable to cease on the date of ensuing Annual General Meeting & in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, liable to retire by rotation.

Your Directors recommends the appointment of Sh. Mukesh Gupta as a Director for Your approval.

Sh. Murari Lal Asopa tendered his resignation from the post of directorship w.e.f. 10<sup>th</sup> June 2008 due to his personal reasons. Your Company wishes to place on record the valuable services rendered by Sh. Murari Lal Asopa during his tenure.

### **Preferential issue of Equity Shares**

During the period under review your Company allotted 2438000 equity shares to Promoters, Directors and their relatives and persons acting in concert and/or to other persons under Section 81 (1A) of the Companies Act, 1956 on preferential basis for which permission of shareholders was obtained in the Annual General Meeting held on 29<sup>th</sup> September 2007.

Shareholders of the Company passed the special resolution for issue of 2500000 equity shares. However Allotment of 62,000 equity shares to Mr. Bipin Agarwal was denied by the Bombay Stock Exchange due to some legal constrains.

These shares were listed on Bombay Stock Exchange on 6<sup>th</sup> June, 2008 vide Notice No- 20080605-27 dated June 05, 2008 issued by Bombay Stock Exchange Limited.

### **Utilization of proceeds of Preferential Issue**

Your Company has raised Rs. 2,43,80,000 from preferential issue of equity shares which was utilized for the purposes for which it has been raised.

### **Director's Responsibility Statements**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 it is hereby confirmed:

- i) that in the preparation of annual accounts applicable accounting standards have been followed along with proper explanation relating to material departure;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the period under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts for the year ended 31st March 2008 on 'going concern basis'



**Corporate Governance**

A report on the Corporate Governance Code along with a Certificate from Company Secretaries in whole time practice regarding the Compliance of the Conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement and also the Management Discussion and Analysis Report are annexed to this report.

**Auditors**

M/s Anil Prahlad & Company, Chartered Accountants the retiring Auditors, who are to retire at ensuing Annual General Meeting and are eligible offer themselves for reappointment.

**Particulars of Employees**

None of the employees was in receipt of remuneration equal to or in excess of the amount prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended up to date.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

The Company has not carried on any activity relating to conservation of energy and technology absorption. There has been no foreign exchange inflow during the year under review. However there has been foreign exchange outflow equivalent to Rs.65,450/- ( Rupees Sixty Five Thousands Four hundreds Fifty only) during the year under review.

**Acknowledgement**

Yours Directors express their appreciation for the co-operation extended by Clients, Banks, staff, executives, friends and associates and shareholders.

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By order of the Board

Place: New Delhi  
Date : **August 25, 2008**

**BIPIN AGARWAL**  
Chairman

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency, integrity, professionalism and accountability are the cornerstones of NCJ International Limited's ("the Company's") value system. These guides the Company's management in all aspects of business conduct, and in creating value for all its stakeholders, including its shareholders, customers, employees and the community in which it operates.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. This chapter, along with those on Management Discussion and Analysis and Additional shareholders information, reports the Company's compliance with the Clause 49.

### 2. BOARD OF DIRECTORS

#### COMPOSITION OF THE BOARD

As on 31<sup>st</sup> March 2008, the Company's Board Comprised six directors, including five Non- Executive, three of whom are also independent. The Chairman of the Board is a Executive Director. All the Directors of the Company are entrusted with rich experience in a wide spectrum of functions including management & finance.

The composition of the Board is in conformity with Clause 49 of the listing agreement, which stipulates that 50 per cent of the Board should comprise Non- Executive Directors, and if the Chairman is Executive, one half of the Board should be independent.

As mandated by the revised Clause 49, the independent directors on the Company's Board:

- Apart from receiving Directors remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its holding Company, its subsidiaries and associates which may affect independence of the Directors.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been the executives of the Company in the immediate preceeding three financial years
- Are not partners or executives, or were not partners or executives, during the preceeding three years of the:
- Statutory audit firm or the internal audit firm that is associated with the Company
- Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company which may affect independence of the Directors.
- Are not substantial shareholders of the Company i.e do not own two percent or more of the block of voting shares.
- Are not less than 21 years of age.

During the course of year there were no changes in the composition of the Board.

The composition of the Board as on 31<sup>st</sup> March 2008 is given in Table-1. As mandated by the Clause 49, none of the directors are members of more than ten Board level committees of public limited Indian companies; nor they are chairman of more than five committees in which they are members.