

15TH ANNUAL REPORT 1998-1999

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SRG INFOTEC LIMITED

Regd. Office : 'Devraha House', A-256, Industrial Area,
Phase-I, Okhla, New Delhi-110020

BOARD OF DIRECTORS

MR. RAJEEV ARORA	CHAIRMAN
MR. ASHOK AGARWAL	DIRECTOR
MR. S. K. AGARWAL	DIRECTOR
MR. SANDEEP BANSAL	WHOLE TIME DIRECTOR
MR. GULJARI LAL SHARMA	DIRECTOR
MR. SACHIDANAND RAI	DIRECTOR

COMPANY SECRETARY

MRS. ANITA KAPOOR

AUDITORS

M/S. RAJESH KUKREJA & ASSOCIATES
Chartered Accountants,
15, BUNGLOW ROAD
DELHI - 110 006

BANKERS

UNION BANK OF INDIA
Industrial Area, Phase-I,
Okhla, New Delhi-110020

BANK OF AMERICA
Barakhamba Road, New Delhi-110001

VIJYA BANK
Barakhamba Road, New Delhi-110001

REGISTERED OFFICE

'Devraha House',
A-256, Industrial Area, Phase-I,
Okhla, New Delhi-110020



SRG INFOTEC LIMITED

NOTICE

Notice is hereby given that the adjourned Fifteenth Annual General Meeting of the members of SRG INFOTEC LTD. shall be held on Saturday, the 29th of April 2000, at Pearey Lal Bhawan, Gandhi Memorial Hall, 2 Bahadurshah Zafar Marg, New Delhi-110002, at 9 a.m. to transact the following business: -

ORDINARY BUSINESS

1. To consider adoption of Audited Profit and Loss Account for the period from 1st August' 98 to 31st July' 99 and the Audited Balance Sheet as on 31st July' 99 together with the reports thereon of the Auditors and the Directors.
2. To appoint and fix remuneration of auditors in place of M/s Rajesh Kukreja & Associates, Chartered Accountants who were appointed to fill casual vacancy and being eligible offer themselves for reappointment.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy in order to be effective must be delivered at the registered office of the Company not later than 48 hours before the time of meeting.
3. Members are advised to bring their copies of annual report with them to the venue of the meeting.
4. 26th April is the cut-off date for return of old certificates bearing any of the erstwhile names of the Company other than SRG INFOTEC LTD. so that new certificates with the new name can be issued in lieu thereof. The old certificates shall not be acceptable for trading in the securities of the Company after the above-mentioned date.
5. Members may kindly note that no Gift/Gift Coupon will be distributed at Annual General Meeting.

BY ORDER OF THE BOARD
For **SRG INFOTEC LTD.**

DATE : 4th April 2000
PLACE : New Delhi

SANDEEP BANSAL
(WHOLE TIME DIRECTOR)



SRG INFOTEC LIMITED

DIRECTOR'S REPORT

Dear Members,

Your Directors have the pleasure in presenting their 15th Annual Report together with the Statement of Accounts for the period ended as at 31st July 1999.

The 15th Annual general meeting held on the 15th of November 1999 was adjourned sine-die for adoption of the financial results for the period ended 31st July 1999. We regret the delay in forwarding audited results of your company the same are placed for adoption by the adjourned Annual general meeting of share holders. As you are aware the books of Accounts were lost, in June 1999, in the process of shifting of the registered office to Okhla. The financial statements tabled before you are a result of cumulative efforts put in by office bearers, staff members and Management who have spent nights re-compiling the books of accounts from the available information, data, documents, records. Due to the fact that the books have been recompiled from available sources, it is possible that in the following period, certain correcting entries may be required to be made to rectify the position.

Regarding functioning of the Company, we have pleasure in announcing that your Company, during the period under review has performed satisfactorily.

FINANCIAL RESULTS

Your company has witnessed exponential growth during the year. We are proud to announce that your company has achieved a turnover of Rs. 102.8 crores against Rs. 32.25 crores attained in the last year. This makes a record growth of 218.76% against growth of 9.63% attained last year. Net profit for financial year ended 31.07.99 being 9.35 crores is 351.69% up against profit of Rs. 2.07 crores attained last year.

AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31st July 1999

(Rs. In crores)

	Accounting Period (Ended 31-07 -1999)	Previous Accounting Period (Ended 31-07 -1998)
Income from operations	102.80	32.25
Total Expenditure	91.14	29.77
Gross Profit after interest but before depreciation and taxation	11.66	2.48
Depreciation	2.31	0.40
Provision for taxation	-	0.01
Net Profit (+)/ Loss (-)	9.35	2.07
Paid-up Equity Shares Capital	124.25	44.25
Reserves excluding revaluation reserves (including prior period adjustments)	32.20	5.70

OPERATIONS

During the period under review, your Company, being a Category-I Registrar to Issue and Share Transfer Agent registered with SEBI, launched itself into the Capital Market as a key player in the depository system along with NSDL. Initially the company tied up with the NSDL and now it has joined hands with Central Depository Services (India) Ltd. As share transfer agents, the services of the Company are utilised by many prominent PSUs and other reputed corporate.



SRG INFOTEC LIMITED

The Company's Software Division is growing exponentially. As a result of its decision to restructure the business and concentrate more on the core business areas, your company has hived off a part of its business to a leading Computer Education and Software Solution Company, BITS (India) Ltd.

Your Company has acquired the running business of Silicon Valley Information Technology Corporation. The acquisition of the running business of the firm has helped attain the maximum benefit of the boom in the software industry. Clubbed with the present operations of the Company in the software industry, the business of the acquired firm has accelerated the performance of the Company.

During the year, an understanding has also been entered into with Datapro whereby that Company purchased a part of the running business of your Company.

The registrar division has suffered the wrath of the depressed market. There have been very few issues in the primary market during the period of this financial year. With the present political stability, the economy is set to improve and the Company stands committed to provide capital services to the benefit of public at large.

The operations of the Company were hindered for some time due to the search conducted by the Income Tax Department on the premises of the Company. The search was made on the 6th of August 1999. The office premises remained closed for more than a fortnight. Even after the premises were reopened for the staff, many important documents, records, share certificates and books were sealed by the department. These records also included those contained in the hard disk of the various computers of our EDP and other departments. The officers also seized certain other records and computer data for the purpose of investigation.

The seal on the records etc. was effectively operational till the 4th of October 1999. Till this time all the regular activities of the Company were obstructed and many of our routine activities were delayed.

Even after the seal was reopened and access to the sealed records was allowed to the officials of the Company, 3-4 weeks elapsed before all the records were put to order and regular functioning of the office resumed. During the period between the IT search and the time when the records were finally put to order the Directors regret the inconvenience, if any, which may have been caused to the members.

EXPANSION

The registered office of the Company has been changed to larger premises in Okhla. All the operations of the Company are being carried out from these premises.

ISSUE OF SHARES/ SECURITIES

In continuation with the resolution passed in the previous Annual General Meeting held on 5th November, 1998, eight crore equity shares of Rs. 10/- @ Rs12 per share and 14.4 crore 0% Optionally convertible preference shares (hereinafter referred to as OCPs) @ Rs. 10 each were allotted to partners of Silicon Valley Information Technology Corporation.

The OCPs aggregating to Rs. 144 crore have been converted @ 16 per share (price determined in accordance with SEBI Guidelines dated August 4, 1994) into 9 crore equity shares on 22/03/2000.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year within the meaning of section 58A of the Companies Act 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

During the year Mr. L.D. Joshi resigned from the post of whole-time directorship of the Company on 7.12.98 though continued as Director of the Company. Later he tendered his resignation from Directorship of the Company, which was accepted by the Board on 25.03.99. Mr. Dilip Kumar Bansal also tendered his resignation from the Board of Directorship of the Company on 7.12.98.

Mr. Guljhari Lal Sharma and Mr. Ashok Agarwal were appointed as Additional Director vide Board resolution passed on 25.03.99. Mr. Rajiv Arora was appointed as Additional Director & Non Executive Chairman vide Board resolution passed on 25.05.99.

Appointments of the abovesaid Additional Directors have been regularised vide Annual general meeting of the Company held on 15.11.99.



SRG INFOTEC LIMITED

Mr. Tarsem Garg and Mr. Sachidanand Rai were appointed as Directors vide General Meeting Resolution on 15.11.99. However, Mr. Tarsem Garg had resigned from the Directorship of the Company on 21.11.99.

Mr. S.K. Agarwal, Director of the Company has been re-appointed in the Annual General Meeting of the Company held on 15th November, 1999.

AUDITORS

M/s Rajesh Kukreja and Associates, Chartered Accountants, were appointed as the auditors of the Company to fill in the casual vacancy caused in the office, in the Extraordinary General Meeting held on 30th January 1999. As per the requirements of the Companies Act and the terms of appointment, they retire at the conclusion of this Annual General Meeting. Being eligible for re-appointment they have expressed their desire to continue in the post. Your Directors place before you a resolution for the re-appointment of the firm as the statutory auditors of the Company. The requisite certificate u/s 224 (1B) of the Companies Act, 1956 has been received from them.

AUDITORS REPORT

The qualifications made in the report of the auditors are mainly based upon the inability of the management to provide certain records and information. Dear members, as has already been informed to you, the books of accounts of the company were lost during the shifting to our new office to Okhla. Though efforts were initiated immediately on realising the loss, the compilation of the books consumed a lot of time and energy owing to the fact that the same was to be constructed out of the available information, documents, vouchers etc..

The management and the task force of the office was posed with the another constraint, besides that of non-availability of exhaustive information, which was of the statutory limitation of time for the presentation of audited annual accounts. The requirements of the provisions governing the placement of audited financial results at the general body under the Companies Act, 1956 did not allow further efforts to be made for the reconstruction/ collection of supporting documents, records, fixed assets register and stock register for the verification by the statutory auditors.

For the reasons stated above some records, verifying the entries made in the books could not be produced before the auditors on their demand. The auditors have disclaimed their opinion on the true and fair view which is solely based on the non-production of supporting document(s), register(s) and record(s) that could not be recompiled/ collected.

PERSONNEL

There is no employee whose particulars are required to be given as per section 217(2A) of the companies Act, 1956.

REQUIREMENTS AS PER THE LISTING AGREEMENT

STOCK EXCHANGE

The shares of the company are listed in the following Stock Exchanges;

1. National Stock Exchange
2. Stock Exchange Mumbai
3. The Calcutta Stock Exchange
4. Ahmedabad Stock Exchange
5. The Delhi Stock Exchange
6. Madras Stock Exchange

The Company has paid the listing fee for all the Stock Exchanges.

DEMATERIALIZATION OF THE SHARES.

Your Company has already joined the depository to enable commencement of paperless trading.

The shares of the Company will be traded in compulsorily dematerialized form for all investors from 26.06.2000 as per SEBI circular no. SMDP/ POLICY/ CIRCUL-9/2000 DT.16.02.2000

SUSPENSION OF TRADING

The shares of the Company can be traded in any of the Stock Exchanges where the securities of the Company are listed. However, trading is suspended in NSE since 3rd November 1999. The reason for said suspension as forwarded by NSE officials