

Notice

Notice is hereby given that the 18th Annual General Meeting of the members of SQL STAR INTERNATIONAL LIMITED will be held on Friday, the 17th June, 2004 at 10.00 a.m. at Auditorium of Sri Sathya Sai International Centre, Lodhi Institutional Area, Bheeshma Pitamah Marg, Lodhi Colony, New Delhi - 110 003, to transact the following business:

ORDINARY BUSINESS:

Adoption of Directors' Report and Annual Accounts

1. To consider and adopt the Balance Sheet as at 31st December 2004, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

Appointment of Director retiring by rotation

2. To appoint a director in place of Mr. Satish Kumar Arora, who retires by rotation and being eligible, offers himself for re-appointment.

Appointment of Auditors

3. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT M/s. Maharaj N. R. Suresh & Co., Chartered Accountants, be and are hereby appointed as auditors of the Company for holding the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration as may be mutually decided between them and the Audit Committee and/ or the Board of Directors of the Company along with travelling and out of pocket expense."

SPECIAL BUSINESS :

Appointment of Mr. Jai Narain Khandelwal as director of the company

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Jai Narain Khandelwal, who was co-opted as an Additional Director of the Company by the Board with effect from May 12, 2005 under Article 104 of the Articles of Association of the Company and who holds office upto this Annual General Meeting as per Section

260 of the Companies Act, 1956, being eligible for reappointment and in respect of whom the company had received a notice from a member pursuant to Section 257 of the said Act in writing proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Appointment of Mr. Harsh Dalmia as director of the company

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

"RESOLVED THAT Mr. Harsh Dalmia, who was co-opted as an Additional Director of the Company by the Board with effect from May 12, 2005 under Article 104 of the Articles of Association of the Company and who holds office upto this Annual General Meeting as per Section 260 of the Companies Act, 1956, being eligible for reappointment and in respect of whom the company had received a notice from a member pursuant to Section 257 of the said Act in writing proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Appointment of Mr. Brij Kumar Tankha as Managing Director:

6. 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 198, 269, 309, 310 & other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, approval of the shareholders be and is hereby accorded to the appointment of Mr. Brij Kumar Tankha as Managing Director for a period of three years with effect from 01.04.2005 and that he shall be paid the remuneration by way of salary and perquisites etc. as set out in the Explanatory Statement under Section 173 of the said Act, subject to limits, if any, specified in Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT in the event of a Board

decision with two third majority of all the Board of Directors deciding to appoint another person/ director as the Managing Director of the Company, Mr. Brij Kumar Tankha, would be paid a compensation for loss of office as per the provisions of Section 318 sub-section (4) of the Companies Act, 1956.”

Increase in the Authorised Capital of the Company:

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

“RESOLVED THAT pursuant to Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the company be increased from Rs. 18,00,00,000 (Rupees eighteen crores only) divided into 1,80,00,000 (one crore eighty lacs) Equity Shares of Rs. 10/- each to Rs.40,00,00,000/- (Rupees forty crores only) by creation of 2,20,00,000 (two crores twenty lacs) further Equity Shares of Rs.10/- (ten) each ranking pari-passu with the existing shares with the power to issue the new shares upon such terms and conditions and with such rights and privileges attached thereto as the Board shall determine, subject to any directions of the company at General Meeting at the time of issue thereof.”

“RESOLVED FURTHER THAT Clause (V) of the Memorandum of Association of the company be and is hereby substituted as under:

(V) The Authorised Share Capital of the company is Rs.40,00,00,000 (Rupees forty crores only) divided into 4,00,00,000 (four crores) Equity Shares of Rs.10/- (Rupees Ten) each.”

Insertion/ Alteration in the Articles Of Association of the Company:

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

“RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby altered by substituting the following clauses of the Articles of Association:

Substitution of Article 4:

“The Authorised Share Capital of the company will be as per Clause (V) of the Memorandum of Association with power to subdivide, consolidate and increase or decrease and with power, from time to time to issue

any share of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and upon the subdivision of a share to apportion the right to participate in profit in any manner as between the shares resulting from such sub-division. The rights attached to preference shares shall be such as may be determined by the company at the time of issue thereof.”

Substitution of Article 95:

“Each director shall be entitled to receive out of the funds of the company, by way of a sitting fee not exceeding Rs.20,000/- (Rs. Twenty thousand) each for meeting of the Board or a committee thereof or any adjournment thereof, attended by him. The directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred in consequence of their attending the Board and the Committee meeting(s) or otherwise incurred in the execution of their duties as directors.”

Further Issue of Capital:

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

“RESOLVED THAT pursuant to Sections 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the company, Foreign Exchange Management Act, 2000 (FEMA) and the prevailing statutory guidelines, if any, in that behalf and subject to all necessary consents, permissions and approvals and/or sanctions from all appropriate authorities including the Securities and Exchange Board of India (SEBI), Government of India, Reserve Bank of India (RBI), the Stock Exchanges and all such other bodies, institutions as may be relevant (hereinafter singly or collectively referred to as “the appropriate authorities”) and subject to such conditions as may be prescribed or imposed by any one of them while granting such consents, permissions and approvals/ sanctions (hereinafter referred to as “the requisite approvals”) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of Directors, which the Board may have constituted or hereinafter constitute to exercise its

powers including the power conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot upto 2,64,80,000 (two crores sixty four lacs eighty thousand) Equity Shares of Rs.10/- (Ten) each and / or equivalent thereto Foreign Currency Convertible Bonds (FCCBs), and Ordinary Shares through Depository Receipt mechanism [Global Depository Receipts (GDRs), American Depository Receipts (ADRs)] and/ or Fully or Partly Convertible Debentures and/or non-convertible debentures, whether secured or not, and/or such other financial instruments and all or any of the aforesaid with or without detachable or non-detachable warrants of any nature, whether convertible or not, as consented/ approved by the appropriate authorities (such equity shares or such other financial instruments, hereinafter referred to as "Securities") each in one or more offering(s)/ tranche(s), as the Board in its sole discretion may at any time or times hereafter decide, which Securities, when issued singly or in combination at such price or prices, at par or at a premium, as it may deem most appropriate for subscription for cash and/ or for consideration other than cash, at such premium per share as may be fixed but not less than the higher of the average of weekly high and low of the closing prices of the company's shares quoted on a stock exchange during the six months preceding the relevant date or the average of weekly high and low of the closing prices of the company's shares quoted on a stock exchange during the two weeks preceding the relevant date i.e. thirty days prior to the date of General Meeting and determined by the Board prior to the issue, provided that the increase in equity capital as aforesaid together with the existing paid-up equity capital, outstanding for the time being shall at any point be within the limits of Authorised Equity Capital of the company duly increased with the permission of the shareholders at the General Meeting, to promoter group members [which term shall include Directors including Promoters Directors, their families, relatives, friends, and associates, whether Resident or Non-Resident Indian(s) {including Overseas Corporate Body(ies) (OCBs) substantially owned by Non Resident Indian(s)}] and/ or Indian / Foreign Financial Institutions (FIs), Investment Institution(s), Mutual Fund(s), Bank(s), Body Corporate(s), such other individuals/ entity(ies) as the Board may in its sole discretion decide, whether Resident or Non Resident Indian(s) [whether or not those entities include

members of the company] and/ or in anyone or more combinations thereof or to such other persons, whether through private placement, preferential allotment as permissible, exchange/ conversion of securities, conversion of loans or otherwise and/ or in one or more modes or in any combination thereof as may be permitted under the then prevailing laws, and in such manner as the Board may in its absolute discretion think fit and determine from time to time in conformity with the relevant provisions of law and the Articles of Association of the company, wherever applicable, on such terms and conditions including the number of securities to be issued, face value, rate of interest, dividend, terms of cumulation of dividend, conversion or otherwise, redemption/ conversion period, manner/ terms of redemption/ conversion with or without any option(s) for conversion and with or without minimum and maximum price(s) of conversion, amount of premium on redemption/ conversion, the number of equity shares to be allotted with or without voting rights on conversion / redemption / extinguishment of debts, exercise of rights attached to warrants, the ratio of exchange of shares and/ or warrants and/ or any other financial instrument, period of conversion, fixing of record date or book closure and other related or incidental matters and all such other terms as are provided in the offering(s) of a like nature, as may be permitted in accordance with the prevailing rules/ guidelines in this behalf."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities as referred to in paragraphs(s) above as may be necessary in accordance with the terms of the offering(s) and all such shares issued by the company shall rank pari-passu with the then existing fully paid-up Equity shares of the company in all respects, save that the dividend, if any, payable in respect of the shares shall be paid proportionately to the amounts paid-up or credited as paid-up on the shares during any portion or portions of the period in respect of which the dividend is paid, excepting such rights and other entitlements as may be provided under the terms of the issue and in the Offer Document."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities/ Instruments may have all or any terms or combination of terms in accordance with international

practices including but not limited to conditions or in relation to payment of interest, additional interest, premium or redemption, prepayment and any other debt service payments whatsoever and all such terms as are provided in issue of securities of this nature internationally including terms for issue of Security and the Company is also entitled to enter into and execute all such arrangements/ agreements, as the case may be, with any lead managers, managers, underwriters, advisors, guarantors, depositors, custodians, legal counsel and in such offering of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the likes, and also to seek the listing of such Securities representing the same in one or more stock exchanges whether in India or outside India.”

“RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorised by the Company for any issue of Depository Receipts representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the International practices prevalent in the International markets.”

“RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/ or in International markets and/ or at the place of issue of Securities in the International market, as the case may be, and may be governed by applicable foreign laws.”

“RESOLVED FURTHER THAT the offer for the aforesaid securities shall be made immediately after the Annual General Meeting of the company and shall be valid for a period as stipulated in the law.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the board be and is hereby authorised in its absolute discretion as it may deem fit:

- a) to make on its own accord or to accept such amendments, modifications, variations and alternations as Securities & Exchange Board of India, and/or Stock Exchanges and /or Institutions and or other concerned appropriate authorities as may stipulate on their behalf at the time of the their approval and as agreed to by the Board;
- b) to amend, recalculate, modify, vary, alter all or any

of the terms of the issue including its size and timing;

- c) to enter into and execute any arrangement(s) or document(s) with Lead Manager(s), Manager(s), Advisor(s), Underwriter(s), Registrar(s) and with any other(s) in regard to such offering of shares and to remunerate them on such terms as may be decided including by way of payment of commission, brokerage, fees or the like;
- d) to finalise and prescribe the Letter of Offer and/ or Offer Document, Application Form(s) etc., the price of shares and to make or carry out any alterations or modifications to the above and to accept and give effect to such alterations or modifications as regard to terms and conditions of the issue as suggested or recommended by any of the concerned appropriate authorities and/ or the Lead Manager(s) and/ or other agency(ies) without requiring any further approval of the shareholders;
- e) to do all such acts, deeds, matters and things as they may in their absolute discretion, consider necessary, proper or expedient in this connection and to give such directions, as may be desirable and also to settle any question or difficulty that may arise with regard to the proposed issue/ offer and allotment of shares as aforesaid.
- f) To seek listing of above securities on Stock Exchanges(s) within the country and/ or on Overseas Stock Exchanges(s).”

“RESOLVED FURTHER THAT for the aforesaid purpose(s), the Board be and is hereby authorised to do all further acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the company or otherwise to the end and intend that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to all the above resolutions, the Board, be and is hereby authorised to delegate all or any of the powers herein conferred to the "Committee" so constituted by the Board for this purpose and the "Committee" be and is hereby authorised:

- i) to do all such acts all such acts, deeds, matters, accept any alterations or modification(s) as they may deem fit and proper and things as may be deemed necessary and settle any or all

questions/matters arising with respect to the, issue and allotment of Depository Receipts, appointment of agencies, deciding the terms and conditions of issue of Depository Receipts, entering to such contracts as may be necessary as the Committee may think fit;

- ii) to enter into contracts, to accept the terms of the investments in Overseas Companies and to sign, execute and deliver the Share Purchase Agreement, documents, letters and all other necessary to acquire the Overseas Companies and such other deeds, documents, writings, agreements, letters, etc. and take all necessary action as may be required in this regard and to make requisite application to the Government, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange/s and/or any appropriate authorities in connection with the acquisition of the Overseas Companies;
- iii) to sign the transfer deeds and other necessary documents and lodge them for transfer with the Overseas Companies in the Company's name and do any other act/s as may be required for transfer of securities in the Company's name and further authorised to pledge the said shares for raising funds from Indian and/or Foreign banks and/or financial institutions on such terms and conditions as considered necessary;
- iv) to open bank account with Indian and/or foreign banks and open escrow account/s with them for and on behalf of the Company as may be deemed necessary for the aforesaid purposes and, in that connection, to sign, accept or endorse cheques and/or other negotiable instruments and to give appropriate instructions relating to the aforesaid accounts in the said banks including the branches thereof, which are hereby authorised to accept and act on the instructions so given irrespective of whether or not the accounts related to which the instructions are so given are overdrawn or not and for the purpose of smoother operations, the Committee/ Managing Director is authorised to confer powers of operating the aforesaid bank accounts of the Company, either singly or under the joint signatures of any two of the managers of the Company as may be found expedient;
- v) to appoint Lead Managers, Merchant Bankers, Financial/Technical Consultants, Advocates,

Solicitors, Accountants Counsels, Legal Advisors, Bankers, etc. and such other intermediaries or agencies as may be required on such terms and conditions as they may deem fit for the purpose of issue of Depository Receipts and appointment of Solicitors, advocates, legal counsels, accountants etc for the purpose of acquisition of Overseas Companies;

- vi) to delegate their powers by way of Power of Attorney or otherwise to one or more persons provided that such persons shall not have power to sub delegate their powers to anyone else;
- vii) to make payment towards acquisition of the Overseas Companies and/or its nominees, in accordance with the provisions of Section 292, 372A and other applicable provisions, if any, of the Companies Act and such approvals, consents, permissions as may be required, and subject to the consent of the shareholders in an extraordinary general meeting, if necessary;
- viii) to borrow from various Indian and/or Foreign Banks, Financial Institutions, etc, upto an amount such that the total amount of such borrowings do not exceed the total amount as prescribed by the general body under Section 293(1)(d), on such terms and conditions as may be deemed fit and make necessary applications, execute requisite loan agreements, security documents, and such other deeds, agreements, documents, writings, etc. with the Banks, Financial Institutions, etc. as may be required for availing the loan etc.
- ix) to create mortgages and/or charges, on such terms and conditions and at such time(s) and in such form and manner as they may think fit, on all or any of the movable or immovable properties of the Company, wheresoever situated, both present and future or the whole or substantially the whole of any one or more of the Company's undertaking/s in favour of all or any of the banks, financial institutions, etc. to secure the loan if any proposed or to be raised by the Company such that the total amount of such borrowings do not exceed the total amount as prescribed by the general body under Section 293(1)(d), together with interest thereon on such terms and conditions as may be deemed fit and make necessary applications, execute requisite loan agreements, security documents, and such other deeds, agreements, documents, writings, etc.

with the Banks, Financial Institutions, etc. as may be required for availing the loan.

RESOLVED FURTHER THAT the Committee be and is hereby severally authorised to sign and execute the subscription forms, agreements for investment, loan, guarantee or providing security and such other deeds, documents, agreements as may be required and issue letters are further authorised to represent, amend, alter and modify all or any deeds, documents, agreements, letters, etc as may be deemed necessary and to do or cause to be done all acts and deeds as may be necessary and expedient in connection with the aforesaid resolutions as may be necessary from time to time.

Limit of Investments By NRIs, OCBs, FIIs and other Eligible Non-Resident Investors:

10. 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 Companies Act, 1956, foreign Investment policy of the Government of India issued from time to time and the 'Portfolio Investment Scheme' (PIS) framed under the provisions of the Foreign Exchange Management Act, 1999, rules, regulations and notifications made or as may be made thereunder from time to time and subject to the approval, if required, of the Central Government, Reserve Bank of India and other regulatory bodies, and other appropriate authority(ies), as applicable, the consent of the Company be and is hereby accorded by this Special resolution for raising the cap for the purchase/ acquisition/ investments by Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) including their sub-accounts, Multilateral/ Bilateral Institutions, Foreign residents and other eligible non resident investors in the Company upto 100% of the issued and paid up share capital of the Company or such other limit as may be prescribed from time to time by the Central Government and/or Reserve Bank of India or any other related authority, either by direct investment or by purchase or otherwise by acquisition from the market under the Portfolio investment scheme, subject to the conditions and restrictions as may be laid down under the Portfolio Investment Scheme or as may be prescribed under any other Scheme and/ or applicable laws for the time being in force.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to convey to the Central

Government, Reserve Bank of India and other regulatory bodies that the Company does not have any objection for NRIs, OCBs, FIIs, Multilateral/ Bilateral Institutions, Foreign residents and other eligible non resident investors making investment in the Company by purchasing its shares through Stock Exchanges under the Portfolio Investment Scheme or through public issue or right issue or GDR/ ADR or by any other means subject to such approvals as may be required to be obtained by each of them or the Company in this connection and to take all other necessary steps to implement and give effect to this resolution.”

“RESOLVED FURTHER THAT the Board of Directors, (which term shall include Sub Committee of Directors) be and is hereby authorised to take such steps as may be necessary and/ or desirable to give effect to the aforesaid resolution.”

Payment of Sitting Fees to Non-Executive Directors:

11. To consider and if thought fit, to pass with or without modifications, the following resolution as a ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s) and Article 95 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for payment of Sitting Fees of such amount(s) as may be decided by the Board of Directors from time to time for attending each meeting of the Board of Directors or the Committee(s) thereof by the Non-Executive Directors of the Company, subject to the ceiling (presently Rs.20,000/-) prescribed under the Companies Act, 1956 read with Rule 10B of the Companies (Central Govt.) General Rules & Forms, 1956, as amended from time to time.”

De-listing from Delhi & Hyderabad Stock Exchanges:

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to provisions of Section 61 and other applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchange(s) and applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, or any amendment or modification thereof, and subject to 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 competent authority while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company or any Committee thereof or any person(s) authorised by the Board/ Committee, consent of the members be and is hereby accorded to the Board to delist the Equity shares of the Company from Stock Exchanges at Delhi and Hyderabad.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to seek voluntary delisting and to settle all necessary questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their

approval expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT Mr. Brij Kumar Tankha , Managing Director or any officer of the company authorised by him be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further authorised to do all such acts, deeds or things as required to give effect to the aforesaid resolution.”

By order of the Board of Directors
for SQL STAR INTERNATIONAL LIMITED

New Delhi
May 12, 2005

Arun Pashu
Company Secretary

NOTES :

1. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the business under items 4 to 12 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
3. The Register of Members and Transfer Books of the Company will remain closed from Monday the 6th June 2005 to Friday the 17th June 2005, both days inclusive.
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the registered office of the company on all working days except Saturdays between 10:00 a.m. to 1:00 p.m. upto the date of the Annual General Meeting.
5. Members seeking any information with regard to accounts of the company, are requested to send their queries so as to reach at least 10 days before the meeting, to enable the management to keep the information ready.
6. Members are requested to inform the Company's Registrars and Share Transfer Agents (RTA) viz., Karvy

Consultants Limited, Unit : SQL Star International Limited, “Karvy House”, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034, before 6th June 2005 the changes, if any, in their registered addresses along with the Pin Code number quoting their folio number/ DP ID - Client ID. All correspondence relating to shares may be addressed to The Company Secretary, Corporate Office, A - 38 B, Kailash Colony, New Delhi - 110 048 and requests for share transfer may be sent directly to Transfer Agents of the Company.

7. As per Section 109 A of the Companies Act, 1956, nomination facility is available to individual shareholder. Shareholders, in particular those holding shares in single name are requested to avail the facility of nomination by furnishing to the Registrars and Transfer Agents (RTA) of the company, the particulars of their nomination in the form enclosed at the end of this report. (RTA address is given in Note 6).
8. Members are requested to fill-up and submit the ECS Information Form to the Registrars & Transfer Agents at the address given herein above.
9. Members are requested to bring their copy of the Annual Report to the Meeting.
10. Shareholders/ Proxy-holders are requested to produce at the entrance, the attached Attendance Slip duly completed and signed, for admission to the meeting hall.

Annexure to Notice

Brief particulars of Directors proposed to be appointed/ re-appointed, as required to be furnished under the Listing Agreement, Corporate Governance code:

Name of Director	Mr. Jai Narain Khandelwal	Mr. Harsh Dalmia
Date of Birth	January 31, 1965	March 17, 1978
Date of Appointment	May 12, 2005	May 12, 2005
Qualification	Chartered Accountant	Bachelor of Arts in Communication Studies from Bobson College of Boston, Massachusetts.
Expertise in specific functional areas	More than 15 years of experience in dealing with various financial matters, tax planning, having good contacts in industry and understanding of the financial markets in India	Over 5 years of experience in spheres of financial planning, strategic opportunities, Mergers & Acquisition Advisory and Equity Placement Services and good understanding of the financial markets in India
List of outside Directorships held - -	None	Watermark Financial Consultants Limited Radaan Mediaworks Ltd. Surya Pharmaceuticals Ltd.
Chairman / Member of the Committees of Board of Directors of the Company	Chairman & Member: Shareholders/ Investors Grievance Committee Member: Audit Committee Remuneration Committee	Member: Shareholders/ Investors Grievance Committee
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director -	None	Member: Audit Committee (Radaan Mediawork Ltd.)

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Name of Director	Mr. Brij Kumar Tankha	Mr. Satish Kumar Arora
Date of Birth	February 07, 1943	December 31, 1937
Date of Appointment	January 01, 1991	March 24, 1992
Qualification	B.E. (BITS - Pilani), M.S. (Management Science in Finance and Marketing) (West Coast University), M.S. (Computer Science) (USC, USA)	B. A. (Delhi Univ.) M.Tech. (IIT Bombay) M.Sc. (Loughborough Univ.) U.K. Fellow British Institute of Management
Expertise in specific functional areas	Over 30 years of experience in the IT Industry. Consultant to Xerox Corporation, USA (1.5 yrs), Planning Commission of India (3.5 yrs), Project Advisor to State Trading Corporation (1.5 yrs), Director (M&P) and Finance Head in the Operations Flood programme in India (10 yrs). Co-promoted SQL Star	Over 30 years of experience in IT industry. 17 years with Shell Group I T related at senior positions. He founded SQL Star International Ltd. U.K. and Information & Computing Services Ltd. in U.K., (16 yrs till date)
List of outside Directorships held	SQL Star International Inc., USA International SQL Star Pte Ltd., Singapore	SQL Star International Ltd. U.K. Information & Computing Services Ltd., U. K. Eposit Plc., U.K. Cybersys Technologies Ltd. India Ebiz Systems Ltd., India.
Chairman / Member of the Committees of Board of Directors of the Company	Member: Audit Committee Shareholders/ Investors Grievance Committee	None
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director -	None	None

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act 1956, the following Explanatory Statement sets out material facts relating to the businesses under items 4 to 12 of the accompanying Notice dated 12th May 2005.

ITEM 4:

Mr. Jai Narain Khandelwal was appointed as Additional Director at the Board Meeting held on May 12, 2005. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Jai Narain Khandelwal holds office till the conclusion of next Annual General Meeting.

The company has received a notice in writing from a member proposing the candidature of Mr. Jai Narain Khandelwal for the office of the Director under the provisions of Section 257 of the Companies Act, 1956.

He is a qualified Chartered Accountant with more than 15 years of experience in dealing with various financial matters, tax planning, having good contacts in industry and understanding of the financial markets in India. The Board is of the opinion that his association would benefit the company.

The directors recommend the resolution for approval of the Shareholders.

None of the directors of the company other than Mr. Jai Narain Khandelwal, is in any way concerned or interested in this resolution.

ITEM 5:

Mr. Harsh Dalmia was appointed as Additional Director at the Board Meeting held on May 12, 2005. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Harsh Dalmia holds office till the conclusion of next Annual General Meeting.

The company has received a notice in writing from a member proposing the candidature of Mr. Harsh Dalmia for the office of the Director under the provisions of Section 257 of the Companies Act, 1956.

He is a Bachelor of Arts in Communication Studies (with subject coverage Finance, Communication, Marketing, Economics and Entrepreneurship) from Bobson College of Boston, Massachusetts with over 5 years of experience in spheres of financial planning, strategic opportunities, Mergers & Acquisition Advisory and Equity Placement Services and having understanding of the financial markets in India, with good contacts in corporate sector. The Board is of the opinion that his association would be beneficial to the company.

The directors recommend the resolution for approval of the Shareholders.

None of the directors of the company other than Mr. Harsh Dalmia, is in any way concerned or interested in this resolution.

ITEM 6:

The present term of Mr. Brij Kumar Tankha, Director - Special Projects expired on 31st March, 2005. Mr. Tankha has been associated with the company as whole-time director for over a decade. Keeping in view the vast experience of Mr. Tankha, his association with the company since its inception and his incite

in the e-Governance projects in Northern India, the Board of Directors on the recommendations of the Remuneration Committee had appointed Mr. Tankha as the Managing Director for a period of three years with effect from 01.04.2005 subject to approval of the shareholders by special resolution, to mainly look after the business of the company in IT related projects with special thrust in e-governance and e-learning sectors, providing future directions/ strategies to help in exploiting potential opportunities. The Board also approved the remuneration package of Mr. Tankha on the basis of recommendations of Remuneration Committee, as set out below with effect from April 1, 2005 subject to limits, if any, specified in the Section II of Part II of Schedule XIII of the Companies Act, 1956, and approval by the shareholders of the company in the Annual General Meeting:

Remuneration	The overall remuneration will be Rs.2,50,000/- (Rs. two lacs fifty thousand only) per month with the tentative break-up as under:
Basic Salary	Rs.1,50,000/- per month.
Perquisites:	
Housing	Entitled to unfurnished accommodation to be provided by the company or House Rent Allowance Rs.75,000/- per month in lieu thereof.
Leave Travel Concession	For self and family once in a year in accordance with the rules of the Company, not exceeding Rs.1,20,000/-.
Medical Reimbursement	For self and family subject to a ceiling of one month's basic pay in a year or three months' basic pay over a period of three years.
Personal Accident Insurance	Of an amount, the annual premium of which does not exceed Rs.5,000/. Travel Insurance shall be to company's cost and so also the Group Insurance.
Mediclinam Insurance	Of an amount, the annual premium of which does not exceed Rs.25,000.
Besides the above, he will also be entitled for the following:	
Business Expenses	Reimbursement of all business related expenses actually and properly incurred for the business of the company.
Telephone Expenses	Telephone Expenses including Mobile Phone(s) and telephone(s) at residence shall be to co.'s account.
Club Fees	Fees, subject to maximum of two clubs will be allowed. This will not include admission and life membership fees.

In addition, he will be eligible for the following perquisites:

- a. Company's contribution towards Provident Fund as per rules of the Company but not exceeding 12% of the salary as laid down under the Income-Tax Rules, 1962.
- b. Company's contribution towards Superannuation Fund as per rules of the Company
- c. Gratuity - Not exceeding half month's salary for each completed year of service.
- d. Earned/ Privilege Leave - entitled on full pay and allowance, as per rules of the company, but not more than 1 month's leave for every completed eleven months service. Leave accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
- e. Free use of Company's Car with driver for the business of the Company.

Provided further that in the event of inadequacy of profits in any financial year Mr. Brij Kumar Tankha, Managing Director, the remuneration shall be governed by the limits prescribed under Clause (B) of Section II of Part II of the Schedule XIII of the Companies Act, 1956."

The remuneration and the perquisites including the monetary value thereof, specified in the agreement, may be enhanced/ widened, altered or varied in accordance with the (i) recommendations of the Remuneration Committee, (ii) relevant provisions of the Companies Act, 1956, for the payment of managerial remuneration in force from time to time.

Mr. Brij Kumar Tankha may be deemed to be interested in the proposed resolution to the extent of his remuneration as Managing Director. No other director of the Company has any interest or concern in the proposed resolution.

The resolution set out in the accompanying notice together with the explanation should be treated as an extract under Section 302 of the Companies Act, 1956.

The directors recommend the proposed resolution for approval of the shareholders.

ITEM 7:

The present authorised capital of the company is Rs.18.00 crores divided into 1,80,00,000 Equity Shares of Rs.10/- each and the paid up capital is Rs.13.52 crores (Rupees thirteen crores fifty two lacs only). In view of company's decision to raise fresh equity capital through private placement/ GDR/ ADR issues for meeting the requirements of working capital, future business opportunities and investments of capital nature, it was necessary to increase the authorised capital from present Rs18 crores to Rs.40 crores. It is proposed that the authorised capital of the company be increased by creation of additional 2,20,00,000 Equity Shares of Rs.10/- each.

The directors recommend the proposed resolution for approval of the shareholders.

None of the directors of the company is in any way concerned or interested in this resolution.

ITEM 8:

Substitution of Article 4

The proposed change in the Article 4 of Articles of Association of the Company is consequential to change in Authorised Share capital of the Company from Rs.18.00 Crores to Rs.40.00 Crores.

Amendment in Article 95

The Central Govt. has amended Rule 10B of the Companies (Central Govt.'s) General Rules & Forms, 1956, with effect from July 24, 2003 prescribing a upper limit of a sum of Rs.20,000/- (Rs. twenty thousand only) for payment of sitting fee to the non-executive director(s) for attending the meetings of the Board or a Committee thereof or any adjournment thereof. Accordingly it is proposed to amend Article 95 of the Articles of Association of the company

The directors recommend the proposed resolution for approval of the shareholders.

In the case of amendment of Article 4, none of the directors of the company may be deemed to be concerned or interested. However, in case of amendment in Article 95, the Non-Executive directors may be deemed to be interested to the extent of the fee paid to them.

ITEM 9:

The Company has undertaken the exercise of financial restructuring with a view to augment resources to cater to the working capital requirements and the requirements of infrastructure needs in the ongoing e-governance and other present/ future projects. In this connection it is felt that long term funds preferably through a debt free mode would be more advantageous to the company taking into consideration the future business opportunities and the business plans. Keeping this in mind, the Company is looking to raise additional funds and intends to raise resources in domestic and/or international markets through issue of Equity shares and/or Equity linked instruments like Foreign Currency Convertible Bonds (FCCBs), American Depository Receipts (ADRs), Global Depository Receipts (GDRs) convertible into equity shares, Convertible Debentures (whether fully convertible or not), and/or any other type of security in one or more tranches. Such issue, besides fulfilling Company is capital need, will also give the Company a good visibility in the domestic and/or international market. International markets have shown unflagging interest in subscribing to the Indian corporate securities and therefore, this would be an appropriate time to go to International Capital market.

The size of the proposed issue of securities in aggregate will be within the range of Rs.55-60 Crores (with permissible green shoe option) or equivalent in any other currency (ies) (inclusive of such premium, as may be fixed).

Section 81 of the Companies Act, 1956, provides, inter-alia, that whenever it is proposed to increase the issued capital by further issue of shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.

This special resolution is an enabling resolution for the consideration & approval of the shareholders to cover all possible contingencies & requirements and if passed, will