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# Silicon Valley Infotech Limited

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Certified to be True Copy.

For SILICON VALLEY INFOTECH LTD.

Susandra Kumar Singh

Director



**20<sup>th</sup>**  
**ANNUAL REPORT 2002-2003**

# SILICON VALLEY INFOTECH LIMITED

## 20th Annual Report, 2003

### BOARD OF DIRECTORS

SHRI SANTOSH KUMAR JAIN, *Managing Director*  
SHRI PRAMOD KUMAR JAIN  
SHRI SURENDRA KUMAR JAIN  
SHRI SHIV KUMAR LUHARIWALA  
SHRI NEERAJ KUMAR JAIN

COMPANY SECRETARY  
SHRI SUBRATA GHOSH

### AUDITORS

P. K. AJITSARIA & CO.  
*Chartered Accountants*

### BANKERS

CANARA BANK  
ABN AMRO BANK N. V.

### REGISTERED OFFICE

10, PRINCEP STREET  
2ND FLOOR  
KOLKATA - 700 072

**SILICON VALLEY INFOTECH LIMITED**  
-----**NOTICE**

**NOTICE** is hereby given that the 20th Annual General Meeting of the members of **Silicon Valley Infotech Limited** will be held at Jhajharia Committee Room of Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on **Wednesday, the 10th day of September, 2003 at 11.00 A.M.** to transact the following business :-

**ORDINARY RESOLUTION:**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Shiv Kumar Luhariwala, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint Auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**

- 4) To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution :

**"RESOLVED THAT** in accordance with the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and other applicable statutory provisions, if any, the approval of the shareholders of the Company, be and is hereby granted to the Voluntary Delisting of the Equity Shares of the Company from The Delhi Stock Exchange Association Ltd., The Stock Exchange, Ahmedabad, and The Jaipur Stock Exchange Ltd. and that the Board and/or any Committee thereof be and is hereby authorised to take all such necessary actions in this connection."

- 5) To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution :

**"RESOLVED THAT** in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered marginal notes by insertion of the following New Article 48A, 48B after Article 48 and Article 73A after Article 73 in the Articles of Association of the Company.

**Article 48A****RIGHT OF NOMINATION**

- a) Every Shareholder or Debentureholder of the Company, may at any time, nominate a person to whom his shares or debentures, shall vest in the event of his death, in such manner, as may be prescribed under the Act.
- b) Where the shares or debentures of the Company, are held by more than one person jointly, the joint holders may together nominate, a person to whom all the rights in the shares or debentures, shall vest in the event of death of all the joint holders, in such manner, as may be prescribed under the Act.
- c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares or debentures,

**SILICON VALLEY INFOTECH LIMITED**

where a nomination made in the manner aforesaid purpose to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholder or debenture holder, as the case may be or on the death of the joint holders, becomes entitled to all the rights in such shares or debentures, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

- d) Where the nominee is a minor, it shall be lawful for the holder(s) of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of the Company in the manner prescribed under the Act, in the event of his/her death, during the minority.

**Article 48B****TRANSMISSION OF SHARES IN CASE OF NOMINATION**

- a) Any person who becomes a nominee, by virtue of the provisions of above Article 48A, in the event of death of shareholder or debenture holder or the death of joint holder, as the case may be, upon production of such evidences, as may required by the Board and subject as hereinafter provided elect, either :
- 1) To register himself as holder of the shares or debentures, as the case may be; or
  - 2) To make such transfer of the shares or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.
- b) If the person being a nominee, so becoming entitled, elects to be registered as holder of the shares or debentures, himself as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder(s) or debenture holder(s), as the case may be.
- c) All the limitation, restrictions and provisions of these Articles relating to the right to transfer as aforesaid as if the death of the member(s) had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder, as the case may be.
- d) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder(s) shall be entitled to the same dividends, interests and other advantages to which he would be entitled if he was the registered holder of the shares or debentures. However, he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

**Article 73A****PASSING OF RESOLUTION BY POSTAL BALLOT**

- (1) Notwithstanding anything in the Articles of Association of the company and subject to the provisions of Section 192A of the Companies Act, 1956, or any statutory modification(s) or re-enactment(s) thereof, the Company does adopt the mode of passing a resolution by the Members of the Company by means of a postal ballot and/or other ways as may be prescribed

**SILICON VALLEY INFOTECH LIMITED**  
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by the Central Government in this behalf instead of transacting such business in a General Meeting of the Company for any business that can be transacted by the Company in General Meeting and particularly, relating to such business as the Central Government, may by notification, declare to be conducted only by postal ballot.

- (2) The Company shall comply with the procedure for such ballot and/or other ways prescribed by the Central Government in this regard."

**Registered Office :**

10, Princep Street,  
2nd Floor,  
Kolkata - 700 072

Dated : The 23rd day of June, 2003

By order of the Board

**Subrata Ghosh**  
Company Secretary

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before the time fixed for the meeting.
2. The Register of Beneficial Owners, Register of Members and the share transfer books of the Company will remain closed from 5th September, 2003 to 10th September, 2003 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Registrars and Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. Members can avail of the nomination facility by filing Form No. 2B with the Company. Blank Forms will be supplied on request.
6. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.

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**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

At Present the Company's equity shares are listed on the following six Stock Exchanges :

1. The Calcutta Stock Exchange Association Limited, Kolkata
2. The Stock Exchange, Mumbai
3. The National Stock Exchange of India Limited, Mumbai
4. The Stock Exchange, Ahmedabad
5. The Delhi Stock Exchange Association Limited, New Delhi
6. The Jaipur Stock Exchange Ltd., Jaipur

**SILICON VALLEY INFOTECH LIMITED**

As per "Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003", it is open for the Company to get voluntarily delisted its securities from a Stock Exchange provided its securities continue to be listed in the Stock Exchange having nationwide trading terminals, i.e. NSE or BSE.

Since the shares of the Company are already listed and continue to be listed inter-alia at NSE & BSE, as stipulated by the aforesaid guidelines, which have trading terminals in various cities affording the investors access to trade and deal in the Company's ordinary shares across the country.

During the last 12 months no transaction has taken place in Delhi, Ahmedabad and Jaipur due to the availability of nationwide terminals of NSE & BSE everywhere, therefore, it is proposed to get delisted the ordinary shares of the Company from the said Exchange as it will hardly cause any inconvenience to the investors.

The resolution under this item is intended to obtain the approval of members for proposed delisting of ordinary shares of the Company from Delhi, Ahmedabad and Jaipur and your directors recommend its approval.

None of the Directors of the Company is interested in the proposed resolution.

**ITEM NO. 6**

As per the Provisions of Sections 109A and 109B of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999, every holder of shares in, or debentures of the Company, may at any time nominate in the prescribed manner, a person to whom his shares in, or debentures of the Company, shall vest in the event of his death.

It is therefore, proposed to insert new Articles 48A and 48B in the Articles of Association of the Company to give effect to the said provisions as detailed in the Special Resolution set out at Item No. 6 of the accompanying notice.

A new Section 192A has been inserted in the Companies Act, 1956 empowering the Central Government to declare that certain matters can be transacted by the Company through a resolution passed by a Postal Ballot only. SEBI has also stipulated as Non-Mandatory Requirements for certain resolutions to be passed by Postal Ballot under the Corporate Governance clause of the Listing Agreement with the Stock Exchanges for making possible the wider participation of shareholders in taking key decisions of the Company.

New Article 73A is proposed to be inserted to meet the foregoing requirements for passing of certain resolutions by Postal Ballot only.

Pursuant to Section 31 of the Companies Act, 1956, approval of the members by Special Resolution is required for amendment/alteration of Articles of Association. Accordingly, the Special Resolution is set out in the Notice for the approval of the members.

The Board recommends this resolution for your approval.

None of the Directors or Manager of the Company is interested in the proposed resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations will be available for inspection by the Members at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on any working day.

**Registered Office :**

10, Princep Street,  
2nd Floor,  
Kolkata - 700 072

Dated : The 23rd day of June, 2003

By order of the Board

**Subrata Ghosh**  
Company Secretary

**SILICON VALLEY INFOTECH LIMITED****DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 20th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2003.

**1. FINANCIAL HIGHLIGHTS :**

The working results of the Company for the year stand as under :-

	(Rs.) Year ended 31.03.2003	(Rs.) Year ended 31.03.2002
Profit/(Loss) before Taxation	3,609,981.89	(14,216,892.95)
Less : Provision for Tax - Current	284,286.00	—
- Deferred	1,273,428.41	(5,211,795.86)
Profit/(Loss) after Taxation	2,052,267.48	(9,005,097.09)
Deferred Tax adjustment	—	4,533,410.55
Transfer to reserve fund	410,500.00	—
Balance brought forward from previous year	(24,461,554.01)	(19,989,867.47)
Balance carried to Balance Sheet	(22,819,786.53)	(24,461,554.01)

**2. DIVIDEND**

In view of huge brought forward losses of the Company, the Directors have decided not to recommend any dividend for the year.

**3. OPERATIONS**

The performance of the Company during the current year has improved substantially in comparison to previous year. Your Directors are making all efforts to improve the performance of the Company further in coming year.

**4. DIRECTORS**

Shri Shiv Kumar Luhariwala, retires by rotation and being eligible, offers himself for re-appointment.

**5. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed :

- That in the preparation of the accounts for the financial year ended 31st March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- That the Directors have selected such accounting policies and applied them consistently and made judgements 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 year under review ;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- That the Directors have prepared the annual accounts for the financial year ended 31st March, 2003 on a going concern basis.



**SILICON VALLEY INFOTECH LIMITED****6. AUDITORS REPORT**

All the items on which the Auditors have commented in their report are self-explanatory.

**7. AUDITORS**

P. K. Ajitsaria & Co., Chartered Accountants, hold the office till the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Your directors recommend their re-appointment.

**8. EMPLOYEES**

None of the employees were in receipt of remuneration in excess of the limits specified under Section 217 (2A) of the Companies Act, 1956.

**9. STATUTORY INFORMATION**

The Company being basically in the financial sector, requirement regarding the disclosures of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

**10. CORPORATE GOVERNANCE**

A report on corporate governance alongwith a certificate from the Auditors and Management Discussion & Analysis is enclosed as Annexure "A" and forms a part of this report.

**11. DELISTING OF EQUITY SHARE FROM DELHI, AHMEDABAD & JAIPUR STOCK EXCHANGES**

The Shares of the Company are already listed with National Stock Exchange of India Ltd. and The Stock Exchange, Mumbai having nationwide trading terminals in addition to The Calcutta Stock Exchange Association Ltd., The Delhi Stock Exchange Association Ltd., The Stock Exchange, Ahmedabad and The Jaipur Stock Exchange Ltd. As per the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, it is open for the Company to get delisted securities voluntarily from The Delhi Stock Exchange Association Ltd., The Stock Exchange, Ahmedabad and The Stock Jaipur Stock Exchange Ltd. The Volume of trading in the last twelve months at The Delhi Stock Exchange Association Ltd., The Stock Exchange, Ahmedabad and The Jaipur Stock Exchange Ltd. have been nil. In view of the above, the Shares of the Company are proposed to be got delisted from the said Stock Exchanges.

**12. EMPLOYER EMPLOYEE RELATIONSHIP**

The Company maintained a cordial relationship with its employees which resulted in smooth flow of business operations during the period under review.

**13. FOREIGN EXCHANGE**

The Company has had no foreign exchange outflow or inflow during the year under review.

**14. ACKNOWLEDGEMENTS**

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in us. Last but not the least, your Directors place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

**Registered Office :**

10, Princep Street  
2nd Floor  
Kolkata - 700 072

Dated : The 23rd day of June, 2003

On behalf of the Board  
**Santosh Kumar Jain**  
Managing Director  
**Surendra Kumar Jain**  
Director



**SILICON VALLEY INFOTECH LIMITED****ANNEXURE "A"****REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's report on Corporate Governance :

**1. CORPORATE GOVERNANCE PHILOSOPHY**

The Company describes Corporate Governance as set of governing standards, which aims at bringing transparency in the management and control of the Company. It is the aim of the Company to separate the management from the directors of the Company. The Management should be free to manage the working of the Company, while the Directors should be free to direct. The Directors should be free in over viewing the work of the management and direct them wherever necessary. The main objective of the Company is to bring transparency in the management of the Company and to provide long term benefit to the shareholders.

The Company's main objective is to protect the interest of the stakeholders and to increase their long term benefits. We will always remain committed to the adoption of best possible governance practices towards discharging our fiduciary responsibilities and protecting all shareholders rights, majority as well as minority, at all times even in future.

**2. BOARD OF DIRECTORS****(a) Composition of the Board**

The Composition of the Board of Directors of the Company consists of qualified executive and non executive directors. The Board is based and comprises of persons who have excelled in their respective areas having good standing.

The composition of the Board of Directors as at 31st March, 2003 is as follows :

Sr. No.	Name of Director	Executive/ Non-Executive	No. of other	
			Directorships	Committee Memberships
1	Sri Santosh Kumar Jain - M.D.	Executive	6	6
2	Sri Surendra Kumar Jain	Non-Executive	12	5
3	Sri Pramod Kumar Jain	Non-Executive, Independent	3	1
4	Sri Shiv Kumar Luhariwala	Non-Executive, Independent	6	4
5	Sri Niraj Kumar Jain	Non-Executive, Independent	5	1

**(b) Changes in the composition of the Board of Directors since last Annual General Meeting :**

There were no changes in directorship since last Annual General Meeting.

**(c) Board Meetings held in the Financial Year 2002-2003 and attendance of Directors :**

The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. During the year under review, 4 board meetings were held on 19th June 2002, 30th July 2002, 31st October 2002 and 29th January 2003.

**SILICON VALLEY INFOTECH LIMITED**

★ Attendance of each director at the Board of Directors meetings and the last Annual General Meeting.

Director	No. of Meetings		Attendance at last AGM - Held on 7th September, 2002
	Held	Attended	
Sri Santosh Kumar Jain - M.D.	4	4	Yes
Sri Surendra Kumar Jain	4	3	Yes
Sri Pramod Kumar Jain	4	4	No
Sri Shiv Kumar Luhariwala	4	3	No
Sri Niraj Kumar Jain	4	2	No

**(d) Details of sitting fees, remuneration etc. paid to Directors :**

The details of remuneration paid to the Managing Director of the Company during the year 2002-2003 are given below :

**Name of the Director**

**Salary & Perquisites**

Shri Santosh Kumar Jain – Managing Director

Rs. 2,01,600/-

**3. DIRECTORS' INTEREST IN THE COMPANY :**

Except Shri Surendra Kumar Jain and Shri Santosh Kumar Jain, no other director is related to any other director.

None of the directors received any loan and advances from the Company during the year.

**4. COMMITTEES OF DIRECTORS**

In accordance with requirements of the Listing Agreements with Stock Exchanges on Corporate Governance, following 2 committees were operational during the year :

- (a) Audit Committee
- (b) Shareholders' / Investors' Grievance Committee

**a. Audit Committee**

The present Audit Committee of the Board of Directors fulfills the requirements of section 292(A) of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement. The Audit Committee of the Company consists of 3 directors, 4 Audit Committee meetings were held during the Financial Year 2002-2003 on 19th June 2002, 30th July 2002, 31st October 2002 and 29th January 2003.

The composition of the Audit Committee and the attendance of each director at its meetings was as follows :

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1	Shri Surendra Kumar Jain	4	4
2	Shri Neeraj Kumar Jain	4	4
3	Shri Shiv Kumar Luhariwala	4	4