

**21<sup>ST</sup>**  

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**ANNUAL REPORT**  

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**2003 - 2004**



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SILICON VALLEY INFOTECH LIMITED

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SILICON VALLEY INFOTECH LIMITED

**21st Annual Report, 2004**

**BOARD OF DIRECTORS**

SHRI ARIHANT JAIN, *Managing Director*  
SHRI SANTOSH KUMAR JAIN  
SHRI SHIV KUMAR LUHARIWALA  
SHRI NEERAJ KUMAR JAIN

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**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

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### NOTICE

**NOTICE** is hereby given that the 21st 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 Friday, the 17th day of September, 2004 at 12.00 Noon to transact the following business :-

#### **ORDINARY RESOLUTION :**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 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 Niraj Kumar Jain, 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 Ordinary Resolution :

**"RESOLVED THAT** Shri Arihant Jain, In whose respect notice has been received from a Member under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company."

- 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 Sections 198, 269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Shri Arihant Jain, as non-retiring Managing Director of the Company for a period of five years from 15th January, 2004, on the terms and conditions as set out in the explanatory statement annexed hereto with absolute liberty to the Board of Directors to further alter, amend and vary terms and conditions of said appointment in accordance with the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto as may be agreed to between the Board of Directors and Shri Arihant Jain."

#### ***Registered Office :***

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

Dated : The 18th day of June, 2004

By order of the Board

**SUBRATA GHOSH**  
Company Secretary &  
Compliance Officer

#### **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.

## SILICON VALLEY INFOTECH LIMITED

2. The Register of Beneficial Owners, Register of Members and the share transfer books of the Company will remain closed from **14th September, 2004 to 17th September, 2004** (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.

### ANNEXURE TO NOTICE

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

#### ITEM NO. 4

Shri Arihant Jain was appointed as an Additional Director of the Company under the provisions of Section 260 of the Companies Act, 1956 ("the Act") with effect from 15th January, 2004. Notice has been received from a member of the Company pursuant to the provisions of Section 257 of the Act proposing the appointment of Shri Arihant Jain as a Director of the Company. The Board recommends the resolution relating to his appointment as a Director of the Company is passed.

None of the Directors of the Company, other than Shri Arihant Jain and Shri Santosh Kumar Jain are interested in the aforesaid Resolution.

#### ITEM NO. 5

Considering the knowledge and qualification acumen of Shri Arihant Jain, the Board of Directors in their meeting held on 15th January, 2004 was appointed as an Additional Director and also appointed as a non-retiring Managing Director on the following terms and conditions contained in the draft of an Agreement, an abstract of which is set out as follows :

#### **1. SALARY :**

##### **a) Basic Salary :**

Rs. 25,000/- per month with such annual increments in the Salary effective from 1st April every year thereafter as the Board or the Committee of Directors may decide.

- i) Use of free unfurnished residential accommodation owned, leased or taken on leave and license basis by the Company. In case no accommodation is provided by the Company, the Managing Director shall receive House Rent Allowance at a rate not exceeding 60% of the Salary.

##### **ii) Contribution to Provident Fund :**

To the extent that it is not taxable under the Income Tax Act, 1961.

## SILICON VALLEY INFOTECH LIMITED

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**iii) Gratuity :**

Half month's Salary for each completed year of service subject to maximum as per payment of Gratuity Act.

**iv) Leave Travel Concession :**

Once in a year for self and family in accordance with the Rules of the Company.

**v) Medical Reimbursement :**

One month's Salary in a year or three month's Salary over a period of three years.

**vi) Club Fees :**

Fees of Clubs subject to maximum of 2 Clubs. This shall not include Admission and life membership fees.

**vii) Personal Accident Insurance :**

with a premium not exceeding Rs. 4,000/- per annum

None of the Directors of the Company, other than Shri Arihant Jain and Shri Santosh Kumar Jain are interested in the aforesaid Resolution.



**Registered Office :**

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

Dated : The 18th day of June, 2004

By order of the Board

**SUBRATA GHOSH**  
Company Secretary &  
Compliance Officer

## SILICON VALLEY INFOTECH LIMITED

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2004.

#### 1. FINANCIAL HIGHLIGHTS :

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

	(Rs.) Year ended 31.03.2004	(Rs.) Year ended 31.03.2003
Profit/(Loss) before Taxation	1,60,26,234.81	36,09,981.89
Less : Provision for Tax - Current	12,32,017.00	2,84,286.00
- Deferred	69,98,749.00	12,73,428.41
Profit/(Loss) after Taxation	77,95,468.81	20,52,267.48
Balance brought forward from previous year	(2,28,19,786.53)	(2,44,61,554.01)
Transfer to Reserve Fund	15,60,000.00	4,10,500.00
Balance carried to Balance Sheet	(1,65,84,317.72)	(2,28,19,786.53)

#### 2. DIVIDEND

In view of 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 Santosh Kumar Jain has resigned from the post of Managing Director with effect from 15th January, 2004 but he is continuing as a Director of the Company.

The Board has appointed Shri Arihant Jain as an Additonal Director and also as a Managing Director. In terms of relevant provisions of law, the term of office of Shri Arihant Jain as an Additional Director of the Company will come to an end at the forthcoming Annual General Meeting. The Company has received a Notice from a member of the Company proposing appointment of Shri Arihant Jain as a Director of the Company at the forthcoming Annual General Meeting. Further the appointment of and payment of remuneration to Shri Arihant Jain as the Managing Director require approval of the members. Accordingly,

## SILICON VALLEY INFOTECH LIMITED

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the appointment of Shri Arihant Jain as a Director of the Company as well as Managing Director has been proposed as Special Resolution at the Annual General Meeting.

Shri Surendra Kumar Jain and Shri Pramod Kumar Jain submitted their resignation and same were accepted by the Board with effect from 15th January, 2004. The Board places on record its appreciation for the services rendered by them during the tenure of their Directorship with the Company.

Shri Niraj Kumar Jain, 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 :

- i) That in the preparation of the accounts for the financial year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ii) 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 ;
- iii) 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 ;
- iv) That the Directors have prepared the annual accounts for the financial year ended 31st March, 2004 on a going concern basis.

### 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.

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**SILICON VALLEY INFOTECH LIMITED**

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**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. 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.

**12. FOREIGN EXCHANGE**

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

**13. 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 18th day of June, 2004

On behalf of the Board

**ARIHANT JAIN**  
*Managing Director*

**SANTOSH 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 :

Effective Corporate Governance has always been an integral part of the Company's business philosophy. The Company lays utmost of importance to matters of Corporate Governance in order to enhance transparency and stakeholders' wealth. It is the firm belief of the Company that good corporate governance should be internally driven need and not only compliance with the statutory requirements

#### 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 comprises of persons who have excelled in their respective areas having good standing.

The composition of the Board of Directors as at 31st March, 2004 is as follows :

Sr. No.	Name of Director	Executive/ Non-Executive	No. of other		
			Directorships+	Committee++	
				Chairman	Member
1	Sri Arihant Jain - M.D. #	Executive	2	1	—
2	Sri Santosh Kumar Jain - M.D. *	Non-Executive	5	2	1
3	Sri Surendra Kumar Jain *	Non-Executive	10	2	1
4	Sri Pramod Kumar Jain *	Non-Executive, Independent	2	—	3
5	Sri Shiv Kumar Luhariwala	Non-Executive, Independent	7	2	4
6	Sri Niraj Kumar Jain	Non-Executive, Independent	6	—	—

# Appointed w.e.f. 15/01/2004, \* Resigned w.e.f. 15/01/2004.

+ Excluding Directorship held in Private Limited / Foreign Companies and companies incorporated under Section 25 of the Companies Act, 1956.

++ Represents Membership/Chairmanship of the Audit Committee, Compensation Committee and Shareholder's/Investor's Grievance Committee of other Companies.

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

Shri Santosh Kumar Jain resigned from the post of Managing Director but continued to be the Director of the Company. Shri Surendra Kumar Jain and Shri Pramod Kumar Jain resigned from the post of Director during the financial year under consideration. Due to such resignations the Board decided to appoint Shri Arihant Jain as a Director and subsequently as the Managing Director of the Company w.e.f. 15th January, 2004.

## SILICON VALLEY INFOTECH LIMITED

Shri Arihant Jain did his schooling from Mayo College - Ajmer. He has done his graduation in mass communication from Bond University, Gold Coast - Australia. He is a Director on the Board of Indiaallinfo.com Ltd., Atn International Ltd. and Ahimsaa Global Media Limited. He is son of Mr. Santosh Kumar Jain.

**(c) Board Meetings held in the Financial Year 2003-2004 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, 9 board meetings were held on 21/04/03, 23/04/03, 23/06/03, 30/07/03, 27/10/03, 31/10/03, 15/01/04, 30/01/04 and 16/02/04.

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 10th September, 2003
	Held	Attended	
Sri Arihant Jain - M.D.	3	3	NA
Sri Santosh Kumar Jain	9	9	Yes
Sri Surendra Kumar Jain	6	6	Yes
Sri Pramod Kumar Jain	6	6	No
Sri Shiv Kumar Luhariwala	9	9	No
Sri Niraj Kumar Jain	9	9	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 2003-2004 are given below :

S. No.	Name of the Director	Salary & Perquisites (Rs.)
1.	Shri Santosh Kumar Jain – Managing Director	1,58,787/-
2.	Shri Arihant Jain – Managing Director	63,710/-

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

Except Shri Arihant 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 independent directors. 4 Audit Committee meetings were held during the Financial Year 2003-2004.