



TWENTYFIRST CENTURY MANAGEMENT SERVICES LTD

**23rd
Annual Report
2008-2009**



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BOARD OF DIRECTORS

Mr. SUNDAR IYER
Executive Chairman

Mr. CHANDRAMOULI
Managing Director

Mr. IYER VISHWANATH
Independent Director

Mr. S. HARIHARAN
Independent Director

COMPANY SECRETARY

Mr. A. V. M. SUNDARAM

AUDITORS'

M/s. SHANKAR & KISHOR
Chartered Accountants
Mumbai

BANKERS

ICICI BANK LIMITED
STATE BANK OF TRAVANCORE
HDFC BANK LTD

REGISTERED OFFICE

No. 158, 1st Floor, Eldams Road,
Alwarpet, Chennai - 600 018.

CORPORATE OFFICE

No. 603 & 604 Dalamal Chambers,
29, New Marine Lines,
Mumbai - 400 020.

SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.,
C13, Pannalal Silk Mills Compound,
LBS Marg; Bhandup (W)
Mumbai - 400 078.
Phone: (022) 25963838
Fax: (022) 25946969





NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Monday, 14th September, 2009 at 4.00 p. m. at Narada Gana Sabha Mini Hall, 314, T.T.K. Road, Chennai - 600 018 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet for the year ended 31st March, 2009, the Profit & Loss account as on that date and the Report of the Directors and Auditors thereon.
2. To appoint Mr. Chandramouli, who retires at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. S. Hariharan, who was appointed by the Board of Directors of the Company as an Independent Director on 21st January 2009 to hold office as such, upto the conclusion of the ensuing annual general meeting and in respect of whom the company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. S. Hariharan, for the office of director, as required by Section 257 of the Companies Act, 1956, be and is hereby appointed a director of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to Sections 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956, Mr. S. Hariharan, the Director of the Company be paid commission of an amount not exceeding 1% of the net profits of the company for each financial year or part thereof to be computed in accordance with the provisions of Section 198(1) of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental thereto.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 or any re-enactment thereof and subject to the approval of Share holders as required under Part II (A) of Schedule XIII to the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board for the re-appointment and payment of remuneration to Mr. Chandramouli as Managing Director of the Company for a period of five years with effect from 1st April 2009 on rotational basis and on existing remuneration and other terms and conditions as set out in the Explanatory statement annexed hereto as approved by the Remuneration Committee & Board Meeting held on 28.04.2009."

"FURTHER RESOLVED THAT the Company on attaining adequate profits the Board of Directors/Remuneration committee constituted by the Board do accept to vary the terms of remuneration and perquisites with the liberty to revise the remuneration



payable to Mr. Chandramouli if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the share holders of the company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give."

"RESOLVED FURTHER THAT the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956."

6. To consider and if thought fit, to pass the following resolution with or without modification, as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 or any re-enactment thereof and subject to the approval of Share holders as required under Part II (A) of Schedule XIII to the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board for the re-appointment and payment of remuneration to Mr. Sundar Iyer as Executive Chairman, of the Company for a period of five years with effect from 1st April 2009 on non rotational basis and on existing remuneration and other terms and conditions as set out in the Explanatory

statement annexed hereto as approved by the Remuneration Committee & Board Meeting held on 28.04.2009."

"FURTHER RESOLVED THAT the Company on attaining adequate profits the Board of Directors/Remuneration committee constituted by the Board do accept to vary the terms of remuneration and perquisites with the liberty to revise the remuneration payable to Mr. Sundar Iyer, if it in its absolute discretion thinks fit in accordance with the provisions of Section 198 read with Section 309 and Schedule XIII i.e. within the overall ceiling of 5% or 10% of the net profits of the Company calculated in the manner specified in the Act without further reference or approval from the share holders of the company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any committee of directors or director(s) to give."

"RESOLVED FURTHER THAT the information provided above shall be treated as an Abstract under section 302 of the Companies Act, 1956."

By Order of the Board

Place: Mumbai
Date: 17-08-2009

A. V. M. SUNDARAM
Company Secretary



NOTES:

a) **A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxies, in order to be valid, must be received at the Registered Office of the company not less than 48 hours before the commencement of the meeting.**

b) The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item No.5 is enclosed herewith.

c) The Register of Members and Share Transfer books of the Company will remain closed from 11th September, 2009 to 14th September, 2009 (both days inclusive).

d) Members are requested to bring their copy of annual accounts, as no extra copies will be distributed at the meeting.

e) Information pursuant to clause 49 of the Listing agreement for appointment/reappointment of Directors.

i. Re-appointment of Mr. Hariharan as Director:

Item No.4: Mr. Hariharan aged about 58 years was appointed as Independent Director of the Company at the Board Meeting held on 21st January 2009 and he holds office only up to the date of this Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 has been received from a Shareholder of the Company signifying his

intention to propose Mr. Hariharan as a candidate for the office of the Director. Particulars of Other Company Directorship is as follows:

Name of the Company	Designation
Nil	Nil

ii. Re-appointment of Mr. Chandramouli, Director retiring by rotation:

Item No.5: Mr. Chandramouli, aged about 50 years, the promoter director who is also a Cost and Chartered Accountant, and has 27 years of experience in capital market operations, shall devote the whole of his time and attention to the business and affairs of the company and shall perform and discharges all such duties and responsibilities as may from time to time be assigned and entrusted to him.

Particulars of Other Company Directorship is as follows:

Name of the Company	Designation
Twentyfirst Century Shares and Securities Limited	Director
Twentyfirst Century Realty Limited	Director
Twentyfirst Century Money Growth Fund Limited	Director



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

Item No. 4

Mr. Hariharan was appointed as an Independent Director of the Company at the Board Meeting held on 21st January 2009 and he holds office only upto the date of this Annual General Meeting. Notice in writing under Section 257 of the Companies Act, 1956 has been received from a Shareholder of the Company signifying his intention to propose Mr. Hariharan as a candidate for the office of Director.

Mr. Hariharan, 58 years, is a qualified Company Secretary and Cost Accountant having more than 25 years of experience in the field of finance and company affairs and retired as a Company Secretary from Atlas Copco (I) Limited recently. His rich and varied experience will benefit the company in many ways. Hence the Board recommends the above appointment of Mr. Hariharan.

Except Mr. Hariharan, none of the Directors are concerned or interested in the passing of this resolution.

Item No. 5

The share holders are well aware that Mr. Chandramouli was appointed as the Managing Director of the Company for a period of 3 years with effect from 1st April 2006 and the consent of the members was obtained at the Annual General Meeting held on 29th September 2006. His term of office expired on 31st March 2009.

Mr. Chandramouli, aged about 50 years, who is also a Cost and Chartered Accountant and having 27 years of experience in capital market operations, shall devote the whole of his time

and attention to the business and affairs of the company and shall perform and discharges all such duties and responsibilities as may from time to time be assigned and entrusted to him.

Considering the efforts required, the Remuneration Committee and the Board of Directors at their meeting held on 28.04.2009 had appointed Mr. Chandramouli as the Managing Director, of the Company for a period of five years commencing from 1.4.2009 to 31.03.2014 on a monthly remuneration (approved by the remuneration committee) as given hereunder:

- * Salary Rs. 1,50,000/- permonth, including all allowances.
- * Commission as percentage of the net profits of the Company as may be decided by the Board, computed in the manner set out in section 309(5) of the Companies Act, 1956, and subject to the overall ceilings laid down under sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII. However, the company has proposed to make the payment of above remuneration w.e.f. 1.4.2009 only after obtaining the approval of the shareholders at the ensuing Annual General Meeting.

The information given above may be taken as a statement given under section 302 of the Companies Act, 1956.

None of the Directors are concerned or interested in the resolution except Mr. Chandramouli.

Item No.6

The share holders are well aware that Mr. Sundar Iyer was appointed as the Executive Chairman of the Company for a period of three years with effect from 1st April 2006 and the consent of the members was obtained at the Annual General Meeting held on 29th September 2006. His term of office expired on 31st March 2009.



Mr. Sundar Iyer, the Executive Chairman of the Company, is the main promoter of the Company. He has more than 30 years of experience in the field of capital market operations. Having regard to the valuable experience and contribution to the company, the Remuneration Committee and the Board of Directors at their meeting held on 28.04.2009 had reappointed, Mr. Sundar Iyer as the Executive Chairman of the Company for a period of five years commencing from 1.4.2009 to 31.3.2014, on a monthly remuneration (approved by the remuneration committee) as given hereunder:

- * Salary Rs. 1,75,000/- permonth, including all allowances.
- * Commission as percentage of the net profits of the Company as may be decided by the Board, computed in the manner set out in section 309(5) of the Companies Act, 1956, and subject to the overall ceilings laid down under sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII. However, the company has proposed to make the payment of above remuneration w.e.f. 1.4.2009 only after obtaining the approval of the shareholders at the ensuing Annual General Meeting.

The information given above may be taken as a statement given under section 302 of the Companies Act, 1956.

None of the Directors are concerned or interested in the resolution except Mr. Sundar Iyer.

By Order of the Board

Place: Mumbai
Date: 17-08-2009

A. V. M. SUNDARAM
Company Secretary

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 23rd ANNUAL REPORT of your company together with the Auditors Report for the year ended 31st March 2009.

FINANCIAL HIGHLIGHTS

The Financial Results for the year ended 31st March 2009.

	Rupees in Lacs	
	31/03/2009	31/03/2008
Profit from capital market operations	(1859.70)	2379.72
Other Income	40.11	65.31
Profit before Depreciation & Tax	(1894.24)	2342.92
Interest	0.00	0.00
Depreciation	1.20	1.52
Profit before tax	(1895.44)	2341.40
Provision for tax	0.00	265.28
Profit after tax	(1895.44)	2076.12
Interim dividend	0.00	126.00
Proposed dividend (Final)	0.00	94.50
Tax on dividend	0.00	37.48
Transferred to general reserve	0.00	207.61
Balance b/f from previous year	1612.52	1.99
Surplus carried to Balance Sheet	(282.92)	1612.52

BUSINESS & PERFORMANCE

During the year under review, the Company has incurred a loss of Rs.1895.44 Lakhs, as against the profit before tax of Rs.2341.40 in the last financial year. However the directors are confident that the company shall revive back, considering the present market conditions and economic revival of the Country.

FUTURE PROSPECTS

For the year ended 31st March 2009, due to the depressed market conditions, and global financial crisis, the company's performance was adversely affected. Due to the general slowdown in the



Global economy and the Indian Securities Market in particular, the company posted a net loss of Rs. 1895.44 lakhs. However due to the conscious efforts taken by the Governments of various countries and the newly elected stable Indian Government there are signs of recovery across the globe and in the Indian Securities Market. We expect to post better performance this year, barring unforeseen circumstances, and would be back to making profits fuelled by faith in the India story and the opportunity presented for India's GDP growth.

DIVIDEND

In the absence of profit during the year, your directors regret their inability to recommend dividend for the financial year 2008-09.

ALLOTMENT OF PREFERENCE SHARES

During the year, the company has allotted 6,00,000 12% redeemable non convertible preference shares of Rs.100/- each to the promoters and their group associates.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Corporate Governance" has been annexed to this Annual Report.

DEPOSITS

Your company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on 31st March 2009.

PARTICULARS OF EMPLOYEES

The Company has no employees, who are in receipt of remuneration, requiring disclosure under Section 217(2A) of the Companies Act, 1956.

AUDITORS

M/s Shankar & Kishor, Chartered Accountants,

auditors of the company retire at the ensuing Annual General Meeting and are eligible for reappointment.

DIRECTORS

Mr. Hariharan was appointed as an Independent Director with effect from 21st January 2009. The Company has received notice under Section 257 of the Companies Act, 1956 along with requisite deposit from a member, proposing his appointment as a Director of the company.

Mr. Chandramouli, Managing Director who retires by rotation at this meeting and being eligible, offers himself for reappointment.

Mr. Vivek Bhargava, and Mr. S. P. Tulsian, Independent Directors of the company expressed their desire to discontinue as directors and resigned from the directorship of the company during the year 2008-2009.

Mr. Chandramouli & Mr. Sundar Iyer are reappointed for a further period of three years as Managing Director & Executive Chairman respectively on the existing remuneration, as approved by the Board of Directors and as per the recommendations of Remuneration Committee. Necessary resolutions are proposed for the approval of the shareholders.

PARTICULARS AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Conservation of Energy

The Company had taken steps to conserve



energy in its office use, consequent to which energy consumption has been minimized. No additional Proposals/ Investments were made to conserve energy. Since the company has not carried on industrial activities, disclosures regarding impact of measures on cost of production of goods, total energy consumption, etc., are not applicable.

Technology Absorption:

The company has neither adopted nor intend to adopt to any technology for its business and hence no reporting is required to be furnished under this heading.

Foreign Exchange Inflow & Outgo:-

Foreign Exchange inflow during the year :-
Nil

Foreign Exchange outgo during the year :-
Nil

SUBSIDIARY COMPANY

The particulars required to be disclosed u/s. 212(1)(e), read with sub section (3) of the Companies Act, 1956 for the year ended 31st March 2009 in respect of the Company's subsidiary Twentyfirst Century Shares & Securities Ltd. is enclosed.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- * In the preparation of the annual accounts, the applicable accounting

standards have been followed along with proper explanation relating to material departures;

- * Appropriate accounting principles have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit or loss of the Company for the year ended on that date.
- * Proper and sufficient care has been taken 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.
- * The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

The Board of Directors would like to thank all employees of the Company as also Company's shareholders, auditors, customers and bankers for their continued support.

For and on behalf of the Board

Place : Mumbai
Date : 29-06-2009

SUNDAR IYER
CHAIRMAN