

UNIPORT COMPUTERS LIMITED



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12TH ANNUAL REPORT

2002-2003

MONDAY 24TH NOVEMBER, 2003

UNIPORT COMPUTERS LIMITED

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BOARD OF DIRECTORS

1. SH.V.NALLAYA	WHOLE TIME DIRECTOR
2. SH.D.B.NEGANDHI	DIRECTOR
3. MS.B.BHUTANI	DIRECTOR
4. MS.SANDRA KOTINHO	NOMINEE DIRECTOR

COMPLIANCE OFFICER

SH.V.NALLAYA

AUDITORS

Y. K. TOLIA & ASSOCIARES,
CHARETERED ACCOUNTANTS,
MUMBAI

Registered Office

CITI CENTRE,
IIND FLOOR,
THIRUMALAI PILLAI ROAD,
T.NAGAR,
CHENNAI-600017

REGISTRAR & TRANSFER AGENT

BIGSHARE SERVICES (PVT) LTD.
E-2, ANSA INDUSTRIAL ESTATE,
SAKI NAKA, SAKI VIHAR ROAD,,
ANDHERI (E), MUMBAI.

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the shareholders of Uniport Computers Limited will be held at Liberty Park Hotel, 9, First Main Road, U.I. Colony, Kodambakkam, Chennai-600024 on Monday 24th November, 2003 at 10.00a.m. ,to transact the following business:

1. The Audited Balance Sheet as at 31st May, 2003;

- ♦ The Profit & Loss Account for the year ended on that date;
- ♦ Directors' and Corporate Governance Report for the year 2002-03;
- ♦ The Auditors' Report thereon.

2. To appoint a Director in place of Mr. D. B. Negandhi, who retires from office by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT Messrs Y. K. Tolia & Associate., Chartered Accountant, Mumbai, be and are hereby appointed Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the company on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors fees plus reimbursement of actual traveling and other out of pocket expenses and service tax, if any".

SPECIAL BUSINESS

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

"RESOLVED THAT the Board of Directors of the company has decided to voluntary de list the equity shares of the company from Calcutta Stock Exchange Association Limited (CSE) and subject to the applicable provisions of the Companies Act, 1956, the Securities contract (Regulation) Act, 1956, the Securities & Exchange Board of India (SEBI) Act, 1992 and the Rules framed there under, the Listing Agreements and all the other applicable laws, rules, regulations, notifications, clarifications and guidelines including the Securities and Exchange Board of India (De listing of Securities) Guidelines, 2003 and any amendments, modifications thereto as may be in force from time to time, and subject to such other statutory and / or contractual approvals, permissions, consents and sanctions as may be required from any relevant authority including the Stock Exchanges where the Equity Shares and / or other Securities of the Company are listed, and subject to any conditions and / or modifications as may be imposed and / or suggested by the relevant authorities while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (herein after referred to as "the Board" which term shall include any committee constituted / to be constituted by the Board for exercising the powers conferred on the Board by this resolution) in the best interest of the Company, the consent of the Company be and is hereby accorded to the Board to seek voluntary de listing of equity shares and / or other securities of the Company are presently listed, considering the facts that the fees payable to most of these stock exchanges are disproportionate to the trading volumes thereat and exit opportunity is not required to be given in terms of Clause 5 of the Securities and Exchange Board of India (De listing of Securities) Guidelines, 2003 as the equity shares and / or other securities would continue to remain listed on The Stock Exchange, Mumbai which are having nation-wide trading terminals :

(i) The Calcutta Stock Exchange Association Limited ("CSE").

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all the necessary steps in regard to voluntary de listing of equity shares and/or other securities of the Company and to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate in the best interest of the Company, to settle any question, query, doubt or difficulty that may arise in regard to voluntary de listing, and to execute/publish all such notice(s), applications, deeds, agreements, documents, papers, undertakings/bonds and writings as may be necessary or required for giving effect to this resolution."

By Order of the Board

For **UNIPOINT COMPUTERS LIMITED**

V. Nalliyya
WHOLE-TIMEDIRECTOR
Date : 30.09.2003
Place : Chennai

B. Bhutani
DIRECTOR

NOTES**1. 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 a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- The Register of Members and the share transfer books of the company will remain closed from Thursday 20th November, 2003 to Monday 24th November 2003 (both days inclusive).
- Members desirous of obtaining any information concerning the accounts of the company are requested to address their question to the Company secretary at least seven days before the date of meeting, so that the information required may be made available at the meeting.
- The members are requested to advise the company immediately of their change in address registered with the company.
- Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items 4 of the notice as set out herein before is annexed hereto.**Item No.4**

The Equity Shares of the Company are presently listed on (i) The Calcutta Stock Exchange Association Limited ("CSE") ; (ii) Madras Stock Exchange ("MSE") ; (iii) The Stock Exchange, Mumbai ("BSE").

It is proposed to continue listing with MSE and BSE and delist from CSE.

The Securities and Exchange Board of India has issued new guidelines for delisting of securities and in compliance with these guidelines, the Company proposes to pass this resolution.

The investors can conveniently trade in the equity shares of the Company through online trading terminals of BSE, which are widely spread across the country and as such, the investors' interest will not be adversely affected if the equity shares and / or other securities are voluntarily delisted from aforesaid one stock exchange.

It is, therefore, proposed to seek voluntary delisting of equity shares and / or other securities from CSE.

Your Directors, therefore, recommend resolution in Item No.4 of the accompany notice for approval.

The Directors holding equity shares of the Company may be deemed to be concerned or interested in this resolution to the extent of their shareholding in the Company.

- The Directors recommend the resolution for approval of the shareholders.

By Order of the Board

For **UNIPOINT COMPUTERS LIMITED**

V. NALLAYYA
Whole-time Director

B. BHUTANI
Director

Registered Office
CITI CENTRE,
IIND FLOOR
THIRUMALAI PILLAI ROAD,
T.NAGAR,
CHENNAI-600017
Date: 30th September, 2003

DIRECTORS'S REPORT**Dear Shareholders**

Your directors have pleasure in presenting the 12th Annual Report and the Audited Statement of Accounts of the company for the financial year ended 31st May, 2003.

	2002-2003	(Rs.'000) 2001-2002
FINANCIAL RESULTS		
Turnover	3181	3773
<u>Gross Profit before interest and depreciation</u>	148	22
Less: Interest	Nil	Nil
Depreciation	49	49
Profit Before Tax	99	(27)
Less: Provision for Taxation	Nil	Nil
Profit After Tax	99	(27)
Prior Period Adjustments	-----	-----
Balance B/F from previous year	326613	326640
Amount available for appropriation		
TOTAL	326712	326640
Appropriations:		
Proposed dividend on equity shares	Nil	Nil
Corporate tax on dividend	Nil	Nil
Debenture Redemption Reserve	Nil	Nil
Balance carried to Balance Sheet	326712	326640
TOTAL	326712	326640

DIVIDEND

Your directors do not recommend any dividend for the year 31st May 2003.

PERFORMANCE

The sales of the company for the year ended touched Rs. 31.81 Lakhs and net profit was Rs.0.99 Lakhs.

ISSUE OF SHARES

During the year 1,50,00,000 equity shares of Rs.10/- each were offer on the ratio of 5:1 swap basis to the other than promoters and existing shareholders to acquire the software business and as well as investments in those companies in 2001. The Madras Stock Exchange Ltd., Chennai and The Stock Exchange, Mumbai has given the approval for the listing of the shares but the approval from Calcutta Stock exchange Ass. Ltd, Kolcutta is awaiting by the company.

DELISTING OF EQUITY SHARES

As per SEBI guidelines on Listing of further issue vide their circular no. MRD/Policy/Cir-35/2003/29/-9 dated 29th September, 2003 the further listing must be listed at any one of the Nationalized Stock Exchange having nationwide terminals network for the purpose of trading at BSE/NSE have to obtain the approval of any such stock exchange in the interest of the investors/shareholders. The company is purposing the Special Resolution for the purpose of de-listing of Equity shares from the Calcutta Stock Exchange Ass. Ltd., Kolcutta due to new norms of the SEBI (De-listing of Securities) Guidelines, 2003 as the equity shares would continue listed on The Madras Stock Exchange Limited, Chennai (Regional Stock Exchange), Chennai and The Stock Exchange, Mumbai.

CLAIM OF LOSS

The Company's operation had a set back consequent upon the collapse of the operating office building (Poonam Chambers, B Wing, Dr.A. B.Road, Worli, Mumbai) on 16th september, 1997, as a result of which the Company has suffered huge losses. The losses quantified has been into claims receivable based on legal advise. The dislocation of the operation has been corrected over the months and it is expected to improve upon further during the current year.

FIXED DEPOSITS

The company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

DIRECTORS

Mr. D.B. Negandhi retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

DIRECTORS' 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 annual accounts for the financial year ended 31st May 2003 the Application Accounting Standards had been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made judgments 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 or loss of the company for the year under review.
- That the Director had 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 had prepared the accounts for the financial year ended 31st May, 2003 on a going concern basis.

AUDITORS

M/s Messrs Y. K. Tolia & Associate., Chartered Accountants, Auditors of the company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

PERSONNEL

As there are no employees drawings remuneration as per provisions of the Act and due to that, there is no requirement to submit particulars of employees as per the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975,

ENERGY TECHNOLOGY AND FOREIGN EXCHANGE

Information in accordance with the provisions of 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 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the not forming part of this report.

COMPLIANCE CERTIFICATE

A certificate from the auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the listing agreement is attached to this report.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by all government authorities, financial institutions, banks, consultants, solicitors, shareholders and debenture holders of the company. Your directors also wish to thank management and staff of, the promoter company, for the continuous guidance and support received from them. Your directors express their appreciation for the dedicated and sincere services rendered by employees of the company.

For and on behalf of the Board

V.NALLIYYA

W.T.Director

B.BHUTANI

Director

Dated: 30th September, 2003

Place: Chennai

ANNEXURE A

The information required u/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure) of Particulars in the report of the Board of the Directors) Rules, 1988.

A) Conservation of Energy	Nil
B) Form of Disclosure of Particulars with respect to absorption of Technology Research & Development (R&D)	Nil

FORM B**Research & Development**

Specific areas in which R & D carried out by the company	Nil
Benefits Derived as a result of the above R & D	Nil
Future Plan of Action	Nil
Expenditure on R & D	Nil

	CURRENT YEAR	PREVIOUS YEAR
Capital	Nil	Nil
Recurring	Nil	Nil
Total R & D Expenditure as a	Nil	Nil
Percentage to Total Turnover	Nil	Nil

Technology Absorption, Adoption and Innovation and benefits derived there from : Nil
Technology Imported and Absorbed Nil

Foreign Exchange Earnings/Outgoings:

	CURRENT YEAR	PREVIOUS YEAR
Earning	Nil	Nil
Expenditure	Nil	Nil
Valued of Imports on CIF	Nil	Nil

FOR & ON BEHALF OF THE BOARD

V. NALLIYYA B. BHUTANI
W.T.DIRECTOR DIRECTOR

PLACE : CHENNAI

DATED: 30th SEPTEMBER, 2003

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

Mandatory Requirements

Company's Philosophy on Code of Governance

UCL firmly believes in abiding by the Code of Corporate Governance so as to be a responsible Corporate Citizen. The company's philosophy of Corporate Governance seeks the attainment of the highest levels of transparency, accountability and equality in all facets of its operations and in all interactions with its stakeholders, including the shareholders, employees, government and lenders. The company takes utmost care to balance individual interest with corporate goals and continues to remain committed to fairness, transparency, accountability and responsibility.

Board of Directors

Composition: - The present strength of the Board is Four Directors. Attendance of each Director at the Board meetings and the last AGM conducted. Seven Board meetings were held in 2002-2003:-

Name of the Director	Category of Directorship	No. Of Board Meetings attended	% Of total meetings attended	Attendance at the last AGM
Mr.D.B.NEGANDHI	Director	6	67	N
Mr.V.NALLIAHA	W.T.D.	7	80	Y
Ms.Bharti Bhutani	Director	7	80	N
Ms. Sandra Kotinho	Nominee Director	3	30	Y

Audit Committee:-

Terms of Reference & Composition, Name of Members and Chairman. The Audit Committee comprises of Mr.V.Nallaiha, Chairman of the Committee and Mr.D.B.Negandhi and Ms.B.Bhutani all being Independent Directors. The W.T.D. and the other Directors along with the Statutory Auditors are invitees to the meeting. The Terms of Reference of this Committee are wide enough covering the matters specified for Audit Committee under the Listing Agreements.

The terms of reference of the Audit committee includes:-

- 1.To review the company's reporting process and its financial process,
- 2.To review the accounting and financial policies and practices.
- 3.To review the efficiency of the internal control mechanism and monitor risk management policies adopted by the company and ensure compliance with regulatory guidelines.
- 4.To review reports furnished by the internal and statutory auditors and ensure that suitable follow up action is taken.
- 5.To examine accountancy, taxation and disclosure aspects of all significant transactions.
- 6.Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- 7.To look into the reasons of substantial defaults in the payment to the creditors.
- 8.To seek information from any employee.

Audit Meetings and the attendance during the year.

There were five meetings of the Audit Committee during the year 2002-03.

Remuneration to Directors

The details of the remuneration paid to the W.T.D. during the year 2002-2003 are given below:

Whole-Time Director	All elements of remuneration package i.e. salary benefits, bonus, etc. (Rs.)	Fixed component and performance linked incentives along with the performance criteria (Rs)	Service contracts notice period, severance fees	Stock option with details, if any, and whether issued at discount as well as the period over which accrued and over which exercisable.
Mr.V.Nallaiha	Rs.7,500/- p.m. all inclusive	NIL	ONE MONTH	N.A

NOTES :

1. The agreement of the W.T.D. is for a period of one year or normal retirement date whichever is earlier. Either party to the agreement is entitled to terminate the agreement by giving not less than one-month notice in writing to the other party. Presently, the company does not have a scheme for grant of stock options either to the executive directors or employees.

Investors/Shareholders Grievance Committee

2. Details of the members, compliance officer, no. of complaints received, pending and pending transfers as on close of the accounting year.
3. The company's investors/Shareholders Grievance Committee has been functioning under the Chairmanship of Mr.V.Nallaiha presently.

4. NON-EXECUTIVE

Independent Director. The other members of the committee are Ms. B. Bhutani Director of the company. Mr. V. Nallaiha, Whole Time Director, is the Compliance Officer of the Company. The Company had received few complaints from the shareholders and almost all of them have been resolved by furnishing the requisite information/documents.

5. General Body Meetings

- Details of the location of the last three AGMs and the details of the resolutions passed or to be passed by postal ballot.

11th Annual general meeting was held at Liberty Park Hotel, 9, First Main Road, U.I. Colony, Kodambakkam, Chennai-600024. on Monday 24th November, 2003 at 10.00a.m.

10th Annual general Meeting was held at Hotel Nitash, 9, Gandhi Irwin Road, Egmore, Chennai-600008.

9th Annual general Meeting was held at Hotel Nitash, 9, Gandhi Irwin Road, Egmore, Chennai-600008

The shareholders passed all the resolutions set out in the respective notices.

- The resolutions requiring postal ballot as recommended under Clause 49 of the Listing Agreements have been placed for shareholders' approval at the meeting.
- Notes on Directors seeking appointment/re-appointment as required under Clause 49VI(A) of the Listing Agreement entered into with stock exchanges.

Disclosures

Disclosure on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.