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HCL OFFICE AUTOMATION LTD.

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Board of Directors	*Managing Director* J. V. Ramamurthy *Directors* S Murali K. R. Radhakrishnan
Auditors	S. D. Chopra & Associates
Registered Office	806-808, Siddharth 96, Nehru Place, New Delhi-110019
Corporate Office	E-4, 5 & 6 Sector XI, Noida Distt. Ghaziabad (U.P.)

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Notice

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HCL OFFICE AUTOMATION LTD.

REGD. OFFICE : 806-808, SIDDHARTH, 96 NEHRU PLACE, NEW DELHI 110 019

NOTICE is hereby given that the Eighth Annual General Meeting of the Company will be held on Monday, the 25th September, 2000 at Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi 110 010 at 4.00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2000, the Profit and Loss Account for the Financial Year ended on that date and the Reports of the Directors' and Auditors' thereon.

2. To appoint a Director in place of Mr. S. Murali who retires by rotation in accordance with Article 102 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.

3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s S.D. Chopra & Associates, Chartered Accountants, the retiring Auditors, being eligible offer themselves for re-appointment.

SPECIAL BUSINESS

4. 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 21 and all other applicable provisions, if any, of the Companies Act, 1956, the name of the Company be and is hereby changed from HCL OFFICE AUTOMATION LIMITED to **FIRST COMP SERVICES LIMITED .**"

   "RESOLVED further that the Company be and is hereby authorised to get fresh Certificate of Incorporation being issued by the Registrar of Companies, NCT of Delhi & Haryana and to do all acts, deeds or things as may be necessary to give effect to the said change."

5. 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 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as under:-

   i. **Insert the following new definitions in Article 1:**

   "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depository Act, 1996;

   "Depository Act, 1996" shall include Depository Act, 1996 and any statutory modification or re-enactment thereof; and

   "Depository" shall mean a Depository as defined under Clause (e) of sub-section (1) of Section (2) of the Depository Act, 1996.

   ii. **In Article 1 of the Articles of Association, the definition of "Member" shall be altered as follows:**

   "Member" means a person;

   a) whose name is entered in the Register of Members as holding any share(s) either solely or jointly;

   b) subscribers to the Memorandum of the Company; and

   c) Beneficial Owner(s).

   iii. **Article 6 of the Articles of Association shall be altered to include clause 6.d. :**

   6.d. The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares or buyback its shares in a dematerialised form pursuant to the Depository Act, 1996 and the rules framed thereunder, if any.

   iv. **Article 15(ii) of the Articles of Association shall be altered to include a proviso :**

   Provided, however, no share certificate(s) shall be issued for shares held by the "Beneficial Owner(s)".

   v. **Insert Article 3A after Article 3 of the Articles of Association as under:-**

   Save as permitted by Sections 77A and 77B of the Act, the Company shall purchase its own shares or

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other specified securities out of (i) its free reserves; or (ii) the securities premium account; or (iii) the proceeds of any shares or other specified securities or (iv) otherwise specified by the Law for the time being in force.

vi. Insert Article 51A after Article 51 of the Articles of Association as under:-

Subject to the provisions of Section 79A and subject to any special rights or privileges for the time attached to any shares in the capital of the Company then issued, the Company may issue equity shares to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called or for the performance of past or future services.

vii. Insert Article 49A after Article 49 of the Articles of Association as under:-

49A

i) Every holder of shares in, or holder of 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.

ii) Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

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

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

v) Any person who becomes a nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -

– to be registered himself as of the shares (s) or debenture (s) as the case may be ; or

– to make such transfer of the share (s) or debenture (s) as the deceased shareholder or debenture holder, as the case may be, could have made".

By Order of the Board

New Delhi
16th June, 2000

K.R. Radhakrishnan
Director

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 and the proxy need not be a member. A blank proxy form is enclosed for use by members, if required. The proxy form duly signed across the revenue stamp of Re. 1.00 should reach the Company's Registered Office atleast 48 hours before the time of the meeting.**

2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 16th day of September, 2000 to Monday, the 25th day of September, 2000 (both days inclusive).

4. The members are requested to notify change in address, if any, to the Company.

5. Members/ proxy holders are requested to produce at

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the entrance the enclosed admission slip duly completed and signed.

6. The Members are advised that the Company's shares would be traded compulsorily in Dematerialisation form with effect from 29th January, 2001 vide Circular No. SMDRP/POLICY/CIR-23/2000 dated May 29, 2000. The Board has approved the appointment of Alankit Assignments Limited having office at 205-208, Anarkali Market, Jhandewalan Extension, New Delhi 110 055 as Registrar and Share Transfer Agent for Electronic Mode and the telephone nos are 011-3513512-16, 011- 3610220-24.

EXPLANATORY STATEMENT

PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 (annexed to the notice dated 16th June, 2000).

Item No. 4

At present, the Company is engaged in trading activities of Reprographic and Communication equipments and is not focussed on all Office Automation Products.

In order to reflect its current line of business, it is proposed to change the name of the Company from HCL Office Automation Limited to "**FIRST COMP SERVICES LIMITED** ".

The Registrar of Companies, NCT of Delhi & Haryana has confirmed the availability of the new name for registration under Section 21 of the Companies Act, 1956 and subject to the resolution being passed, an application will be made to the Registrar of Companies, NCT of Delhi and Haryana for registration of the new name.

The change of the name is subject to the approval of the shareholders.

The Directors trust that this change of name will have the members' support and approval.

None of the Directors are interested in this resolution.

Item No. 5

The Securities and Exchange Board of India vide Circular No. SMDRP/POLICY/CIR-23/2000 dated May 29, 2000 has directed that the company's shares will be traded compulsorily in dematerialisation form with effect from 29th January, 2001. Consequent upon the introduction of the Company's shares into Depository system, some of the provisions of the Articles of Association of the Company relating to the issue, transfer/transmission, dealing in shares, etc. are proposed to be amended to conform to the requirements of the Depositories Act,1996.

Further the Companies Act, 1956 has been amended by the Companies (Amendment) Act, 1999. The amendment has introduced a few important changes in the law to provide for inter alia :

1. Facility to the shareholders to nominate a person to whom his shares in the company shall vest in the event of his death.
2. Power of Companies to purchase its own securities out of its free reserves or the securities premium account or the proceeds of any shares or other specified securities.

In order to be consistent with the provisions of the Companies Act, it is proposed to insert/amend certain Articles in the Articles of Association of the Company.

A copy of the Articles of Association of the Company with the proposed alteration is available for inspection by the members during the business hours on any working day at the Registered Office of the Company, upto to the date of the meeting.

The alteration of Articles of Association is subject to the approval of the shareholders.

The Directors recommend the resolution set out at item No: 5 for approval.

None of the Directors are interested in this resolution.

By Order of the Board

New Delhi
16th June, 2000

K.R. Radhakrishnan
Director

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Directors' Report

HCL

To the Members,

The Directors of your Company herewith present the Eighth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2000.

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	Year ended 31/3/2000	Year ended 31/3/1999
Sales and other income	**433.37**	4096.66
Profit before Interest, Depreciation and Tax	**181.16**	(423.40)
Finance Charges	**50.47**	376.16
Depreciation	**39.84**	149.64
Profit/(Loss) before Tax	**90.85**	(949.20)
Provision for Taxation	**16.49**	13.87
Net Profit	**74.36**	(963.07)
Balance of Profit/Loss carried forward to next year	**(2259.00)**	(2333.36)

REVIEW OF OPERATIONS

The turnover of the Company was Rs. 4.33 crores as against Rs. 40.97 crores in the previous period. The profit for the year ended 31st March, 2000 was Rs. 0.74 crores as against loss of Rs.9.63 Crores in the previous period.

The operations of the Company was affected due to paucity of funds. The Company had negotiated and settled the liabilities with the banks.

FIXED DEPOSITS

As on 31st March, 2000, 140 nos. of deposit aggregating to Rs. 16.47 Lacs was unclaimed.

DIRECTORS

Mr. S. Murali, Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

AUDITORS

The Auditors of the Company, M/s. S.D. Chopra & Associates, Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

The comments of the Auditors read with Notes to the Accounts are self-explanatory.

PERSONNEL

Inter-personnel Relations in the Company during the period under review continued to be harmonious. The Board wishes to place on record their appreciation of the contribution made by all the employees to the operations of the Company during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information required in accordance with sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is appended to and forms part of this Report.

During the year, there were no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

YEAR 2000 COMPLIANCE

The company has achieved Y2K transition without any problem.

DEMATERIALISATION OF SECURITIES

As per the directions of Securities and Exchange Board of India vide Circular No. SMDRP/POLICY/CIR-23/2000 dated May 29, 2000 the Company's shares would be traded compulsorily in Dematerialisation form with effect from 29th January, 2001. The Board has appointed M/s. Alankit Assignments Limited as Registrar and Share Transfer Agent for the Electronic Mode.

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CORPORATE GOVERNANCE

The new clause 49 of the Listing Agreement with regard to Corporate Governance is applicable to your Company from the financial year 2001-2002.

ACKNOWLEDGEMENT

Your Directors wish to thank the Government authorities, financial institutions, bankers and shareholders for their co-operation and assistance extended to the Company.

For and on behalf of the Board

New Delhi
16th June, 2000

J.V. RAMAMURTHY
Managing Director

Information relating to Conservation of Energy, R&D, Technology Absorption, Adaptation, Innovation and Foreign Exchange Earnings / Outgo forming part of the Directors' Report in terms of Section 217 (1) (e) of the Companies Act, 1956

A. CONSERVATION OF ENERGY

The Company's operations did not warrant any measures to be taken for energy conservation and/or for additional investment for reduction in energy consumption.

B. RESEARCH AND DEVELOPMENT

Not applicable as the Company is engaged in trading activities.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Not applicable as the Company is engaged in trading activities.

D. FOREIGN EXCHANGE EARNINGS / OUTGO

During the period under review, the Company's earnings in foreign currency were Rs. NIL (Previous Year Rs. 67.78 lacs). The expenditure in foreign currency including imports during the year amounted to Rs. NIL (Previous year Rs. 1056.54 lacs).

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Auditors' Report

To

The Members of HCL Office Automation Limited

1. We report that we have audited the attached Balance Sheet of HCL Office Automation Limited as at 31st March, 2000 and the relative Profit and Loss Account for the year ended on that date both of which have been signed by us under reference to this report.

2. We draw attention to note 18 on Schedule-22 regarding the basis of preparation of accounts and company's ability to meet in full its liabilities which is dependent on realisation of assets in full the value at which they are stated in the books.

3. In our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the Accounting Policies and Notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and subject to the matters stated in paragraph 3 also give respectively a true and fair view of the state of the company's affairs as at 31st March, 2000 and its profit for the year ended on that date.

4. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for our audit. In our opinion proper books of account have been kept as required by law so far as appears from our examination of the books and the above mentioned accounts are in agreement therewith. In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Section 211(3c)of the Companies Act, 1956 to the extent applicable.

5. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 dated 7th September, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

   a) i) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

      ii) The company has a policy of physical verification of its fixed assets every third year. Pursuant to this policy, a physical verification was not due during the year.

   b) The fixed assets of the company have not been revalued during the year.

   c) The stocks of finished goods of the company at all its locations have been physically verified by the management at the year end.

   d) In our opinion, the procedures of physical verification of stocks, followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

   e) The discrepancies between the physical stocks and the book stocks which have been properly dealt with were not material.

   f) In our opinion, the valuation of stocks of finished goods has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

   g) The company has not taken/ granted any loans during the year from/to parties listed in the register maintained under Section 301 of the Companies Act, 1956. As far as we have been able to ascertain there are no companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.

   h) The parties to whom loans or advances in the nature of loans have been given by the company are generally repaying the principal amounts as stipulated and are also regular in payment of interest where stipulated.

   i) In our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for purchase of stores & spares, equipment and similar assets and for the sale of goods.

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j) In our opinion purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year Rs 50,000 or more in value in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials, or services or the prices at which transactions for similar goods or services have been made with other parties.

k) The company has a system of determining unserviceable or damaged stores and raw materials or finished goods on the basis of technical evaluation and on such basis, in our opinion, adequate amounts have been written off such stocks in the accounts.

l) In case of public deposits received by the company, the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder where applicable, have been complied with.

m) Proper records have been maintained in respect of sales and disposals of scraps.

n) In our opinion, the company's present internal audit system is commensurate with its size and nature of business.

o) The Central Government has not prescribed the maintenance of cost records by the company under Section 209(1)(d) of the Companies Act, 1956 for any of its products.

p) The company has regularly deposited, during the year, Provident Fund and Employees' State Insurance dues with the appropriate authorities.

q) At the last day of the financial year there was no amount outstanding in respect of undisputed income tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.

r) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices we have not come across any personal expenses which have been charged to Profit and Loss Account, other than those payable under contractual obligations or in accordance with generally accepted business practices, nor have we been informed of any such case by the management.

s) The company is not a sick industrial company within the meaning of clause(o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 as referred to in note 20 on Schedule-22.

t) In respect of trading activities, damaged goods have been determined at the time of physical verification pursuant to the company's laid down procedures and consequential adjustments have been made in the accounts.

u) Other clauses of the Order are not applicable to the company.

S. D. CHOPRA
Proprietor
For and on behalf of
SD Chopra & Associates
Chartered Accountants

New Delhi
16th June, 2000

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