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ANNUAL REPORT 2000-01

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BOARD OF DIRECTORS	Maj. Gen. A. L. Suri, AVSM (Retd.)	Vice Chairman
	Mr. Gokul Tandan	Managing Director
	Mr. Rajendra V. Kulkarni	Jt. Managing Director
	Ms. Sonya Suri	Executive Director
	Mr. Ashok K. Anand	Director
	Ms. Ritu Tandan	Director
	Mr. Manpreet Singh	Additional Director
	Mr. Suresh Rajpal	Additional Director
COMPANY SECRETARY	Ms. Meeta Manchanda	
BANKERS	Central Bank of India Jeevan Tara Building Parliament Street New Delhi-110 001.	
	Standard Chartered Grindlays Bank B-68, Greater Kailash-I New Delhi-110 048.	
STATUTORY AUDITORS	I.M. Puri & Co. Chartered Accountants C-30, Chirag Enclave New Delhi-110 048	
INTERNAL AUDITORS	Sundeep Mohindru & Associates. Chartered Accountants F-83, East of Kailash New Delhi-110 065	
REGISTERED OFFICE	A-246, Shivalik, Malviya Nagar, New Delhi-110 017	

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Notice

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the tenth Annual General Meeting of the Members of the Company will be held on Thursday, September 27, 2001 at 9:30 a.m. at CSKM Campus, Satbari, Mehrauli, New Delhi-110 030, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2001 and the Profit & Loss Account for the year ended as on that date and the Reports of Auditors and Directors thereon.

2. To re-appoint Mr. Ashok Anand, Director who retires by rotation and being eligible, has offered himself for re-appointment.

3. To re-appoint Mrs. Ritu Tandan, Director who retires by rotation and being eligible, has offered herself for re-appointment.

4. To appoint M/s. I. M. Puri & Co., Chartered Accountants as Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

   "RESOLVED THAT Mr. Manpreet Singh, who was appointed as an Additional Director in the Meeting of the Board of Directors of the Company held on February 15, 2001 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Mr. Manpreet Singh as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Mr. Manpreet Singh within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

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

   "RESOLVED THAT Mr. Suresh Rajpal, who was appointed as an Additional Director in the Meeting of the Board of Directors of the Company held on August 13, 2001 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Mr. Suresh Rajpal as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Mr. Suresh Rajpal within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

7. **ALLOTMENT OF WARRANTS**

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

   "RESOLVED THAT pursuant to Section 81(1A) of the Companies Act, 1956, the guidelines issued by the Securities & Exchange Board of India, the consent, approval and authority of the members is hereby accorded to the Board of Directors to call for the unpaid money of Rs.9/- per warrant on or before March 31, 2002 to the holders of the Warrants.

   RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to forfeit

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Rs.1/- received per Warrant in case the Warrant holders do not pay for the balance Rs.9/- due per Warrant before March 31, 2002.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take any step and sign any document that may be necessary in this connection and to avail services of any professional including legal advisors and generally to take any step that is required to remove any difficulty in implementing the aforesaid resolution.

RESOLVED FURTHER THAT on receipt of the full payment due per Warrant, the warrants would be eligible for conversion into equity shares immediately.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to apply for the listing of the aforesaid equity shares, arising out of Warrants, to the Mumbai, Delhi, Ahmedabad and Jaipur Stock Exchanges and file any return, document and intimation to any authority as may be necessary in connection with the above."

8. **ALLOTMENT OF SHARES ON PREFERENTIAL BASIS**

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

"**RESOLVED THAT** pursuant to section 81(1A) of the Companies Act, 1956, the guidelines issued by the Securities & Exchange Board of India and Article 13 of the Articles of Association of the Company, the consent, approval and authority of the members is hereby accorded to the Board of Directors for the issue of not more than 20,00,000 (twenty lacs) Equity shares of Rs.10/- (Rupees Ten only) each being the un-issued share capital of the Company, at a price of not less than Rs.10/- per share for cash at par, to the customers, associates and strategic investors excluding the promoters of the Company, irrespective of whether the allottees are members of the Company or not, provided that share holding of any allottee alongwith the shares held by such allottee prior to such allotment shall not exceed 5% of the total paid up share capital of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take any step, sign any documents that may be necessary in this connection and to avail services of any professional including legal advisors and generally to take any step that is required to remove any difficulty in implementing the aforesaid resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to apply for the listing of the aforesaid shares to the Mumbai, Delhi, Ahmedabad and Jaipur Stock Exchange and file any return, document and intimation to any authority as may be necessary in connection with the above."

9. To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the Articles of Association of the Company, provisions of Section 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) thereof and in modification of the resolution passed by the Company at the 9th Annual General Meeting held on September 29, 2000, approval of the Company be and is hereby accorded to the revision in the remuneration of Mr. Gokul Tandan, Managing Director of the Company, with effect from April 1, 2001, as approved by the Board of Directors at its meeting held on June 28, 2001, as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Mr. Gokul Tandan concerned within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

10. To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the Articles of Association of the Company, provisions of Section 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) thereof and in modification of the resolution passed by the Company at the 9th Annual General Meeting held on September 29, 2000, approval of the Company be and is hereby accorded to the revision in the remuneration of Mr. Rajendra V. Kulkarni, Jt. Managing Director of the Company, with effect from April 1, 2001, as approved by the Board of Directors at its meeting held on June 28, 2001, as detailed in the Explanatory Statement annexed hereto.

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RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Mr. Rajendra V. Kulkarni concerned within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

11. To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the Articles of Association of the Company, provisions of Section 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) thereof and in modification of the resolution passed by the Company at the 9th Annual General Meeting held on September 29, 2000, approval of the Company be and is hereby accorded to the revision in the remuneration of Ms. Sonya Suri, Executive Director of the Company, with effect from April 1, 2001, as approved by the Board of Directors at its meeting held on June 28, 2001, as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Ms. Sonya Suri concerned within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

12. To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the Articles of Association of the Company, provisions of Section 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) thereof and in modification of the resolution passed by the Company at the 9th Annual General Meeting held on September 29, 2000, approval of the Company be and is hereby accorded to the revision in the remuneration of Maj. Gen. A. L. Suri AVSM (Retd.), Vice Chairman of the Company, with effect from April 1, 2001, as approved by the Board of Directors at its meeting held on June 28, 2001, as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Maj. Gen. A. L. Suri concerned within and in accordance with and subject to the limits prescribed in Schedule XIII to the said Act, and, if necessary, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

Registered Office:
A-246, Shivalik, Malviya Nagar,
New Delhi-110 017.
Dated: August 13, 2001

By Order of the Board of Directors

Meeta Manchanda
Company Secretary

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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 OT THE COMPANY.

   The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

2. An explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of the items under special business is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday September 21, 2001 to Thursday 27, 2001 (both days inclusive).

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

Item no. 5

The Board of Directors of the Company ("the Board") at its meeting held on February 15, 2001 had appointed Mr. Manpreet Singh as Additional Director of the Company with effect from that date. Pursuant to Section 260 of the Companies Act, 1956, Mr. Manpreet Singh will hold office upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member together with the requisite deposit proposing the candidature of Mr. Manpreet Singh for the office of a Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

The Board commends passing of the said resolution.

Except Mr. Manpreet Singh, no other Director is concerned or interested in passing of the resolution set out as item no. 5.

Item no. 6

The Board of Directors of the Company ("the Board") at its meeting held on August 13, 2001 had appointed Mr. Suresh Rajpal as Additional Director of the Company with effect from that date. Pursuant to Section 260 of the Companies Act, 1956, Mr. Suresh Rajpal will hold office upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member together with the requisite deposit proposing the candidature of Mr. Suresh Rajpal for the office of a Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

The Board commends passing of the said resolution.

Except Mr. Suresh Rajpal, no other Director is concerned or interested in passing of the resolution set out as item no. 6.

Item no. 7

Pursuant to Section 81 and guidelines issued by the Securities & Exchanges Board of India (SEBI), the consent of the members of the Company was given authorizing the Board to issue 20,00,000 Warrants to the promoters of the Company or any person nominated by them. As per SEBI guidelines, Warrants have to be fully paid for and surrendered for conversion into Equity Shares on or before 18 months from the date of their allotment, which is not later than March 31, 2002. Hence the Board in the Meeting of the Board of Directors held on June 28, 2001 has decided to call for the balance money of Rs.9/- per Warrant outstanding against the Warrants.

The Board commends passing of the said resolution.

All the Directors of the Company are interested in the matter except Maj. Gen. A. L. Suri and Ms. Sonya Suri, who did not avail of allotment of Warrants.

Item no. 8

The Company and its promoters are negotiating with a number of clients and other investors whose association with the Company shall be beneficial for the Company in its long term objectives. Such prospective clients of the Company and associates insist on allotment of equity shares of Company as a condition for doing business with the Company and Board of Directors consider it appropriate to allot shares to such important clients particularly in view of tough competition. The allotment of the equity shares will also help the Company in financing its future requirement of funds. Further, consequent to the allotment of the aforesaid shares none of the allottees would hold more than 5% equity share of the Company and there would be no change in the management of the Company.

As per the provisions of Section 81 of the Companies Act, 1956 and the guidelines issued by Securities and Exchange Board of India and other applicable laws & regulations, a special resolution is required to be passed by the members of the Company for the proposed allotment of equity shares. The Board commends passing of the said resolution.

None of the Directors of the Company are interested in the matter.

Item no. 9

The Board in its Meeting held on February 15, 2001 had reviewed the performance of the Company during the last two quarters and felt that in view of inadequacy of profits, and inability to pay remuneration to the Directors as fixed

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as per the resolution passed in the 9th Annual General Meeting held on September 29, 2001, the managerial remuneration should be revised so as to be in consonance with the financial condition of the Company.

Mr. Gokul Tandan, Managing Director of the Company offered to make full waiver of his remuneration for the period starting April 1, 2001 to June 30, 2001.

In view of the above, the Board, subject to approval of the shareholders, at its meeting held on June 28, 2001, gave its approval to the waiver made by Mr. Gokul Tandan for the aforesaid period till further revision made by the Board.

The Board commends passing of the said resolution.

Except Mr. Gokul Tandan, no other Director is concerned or interested in the matter.

Item no. 10

The Board in its Meeting held on February 15, 2001 had reviewed the performance of the Company during the last two quarters and felt that in view of inadequacy of profits, and inability to pay remuneration to the Directors as fixed as per the resolution passed in the 9th Annual General Meeting held on September 29, 2001, the managerial remuneration should be revised so as to be in consonance with the financial condition of the Company.

In view of the above, the Board, subject to approval of the shareholders, at its meeting held on June 28, 2001, revised the remuneration payable to Mr. Rajendra V. Kulkarni, Jt. Managing Director of the Company with effect from April 1, 2001. The salient features of the revised remuneration of Mr. Rajendra V. Kulkarni are as follows:

i) **Basic Salary**

At the rate of Rs. 2,55,000/- per annum, payable in monthly instalments.

ii) **House Rent Allowance**

At the rate of Rs. 1,77,000/- per annum, payable in monthly instalments.

iii) **Perquisites**

Company Transport: Chauffeur driven car shall be provided for official and personal use of Mr. Rajendra V Kulkarni. In case Mr. Rajendra V Kulkarni prefers to use his own car, the actual expenditure on its use for official purpose including chauffer's salary shall be reimbursed to him as per Company's Policies.

Leave Travel Concession: The Company shall pay the air fares for self and family for visit to any place in India, twice in a block of four years by economy class.

Medical: Medical expense reimbursement for self and family.

The monetary value of all the perquisites shall be limited to Rs. 50,000/- per annum. For the purpose of such limit:

Perquisites shall be evaluated at actual cost and use of Company car for official purposes and telephone at residence and mobile phone (including payment for local calls and long distance official calls) shall not be included.

PROVIDED THAT the aggregate of the salary and perquisites shall not exceed the limits specified in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration

Notwithstanding anything contained herein, where in any financial year during the period of office Mr. Rajendra Kulkarni as Joint Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him the remuneration stated above as minimum remuneration subject, at all times, to the approvals required under the Act, or any statutory modifications or re-enactments thereof.

The Board commends passing of the said resolution.

Except Mr. Rajendra V. Kulkarni, no other Director is concerned or interested in the matter.

Item no. 11

The Board in its Meeting held on February 15, 2001 had reviewed the performance of the Company during the last two quarters and felt that in view of inadequacy of profits, and inability to pay remuneration to the Directors as fixed as per the resolution passed in the 9th Annual General Meeting held on September 29, 2001, the managerial remuneration should be revised so as to be in consonance with the financial condition of the Company.

In view of the above, the Board, subject to approval of the shareholders, at its meeting held on June 28, 2001, revised the remuneration payable to Ms. Sonya Suri, Executive Director of the Company with effect from April 1, 2001. The salient features of the revised remuneration of Ms. Sonya Suri are as follows:

i) **Basic Salary**

At the rate of Rs. 2,40,000/- per annum, payable in monthly instalments.

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ii) House Rent Allowance

At the rate of Rs. 1,62,000/- per annum, payable in monthly instalments.

iii) Perquisites

Company Transport: Chauffeur driven car shall be provided for official and personal use of Ms. Sonya Suri. In case, Ms. Sonya Suri prefers to use her own car, the actual expenditure on it's use for official purpose including chauffeur's salary shall be reimbursed to her as per Company's policies.

Leave Travel Concession: The Company shall pay the air fares for self and family for visit to any place in India, twice in a block of four years by economy class.

Medical: Medical expense reimbursement for self and family.

The monetary value of all the perquisites shall be limited to Rs. 50,000/- per annum. For the purpose of such limit:

Perquisites shall be evaluated at actual cost and use of Company car for official purposes and telephone at residence and mobile phone (including payment for local calls and long distance official calls) shall not be included.

PROVIDED THAT the aggregate of the salary and perquisites shall not exceed the limits specified in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration

Notwithstanding anything contained herein, where in any financial year during the period of office Ms. Sonya Suri as Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay her the remuneration stated above as minimum remuneration subject, at all times, to the approvals required under the Act, or any statutory modifications or re-enactments thereof.

The Board commends passing of the said resolution.

Except Ms. Sonya Suri, no other Director is concerned or interested in the matter.

Item no. 12

The Board in its Meeting held on February 15, 2001 had reviewed the performance of the Company during the last two quarters and felt that in view of inadequacy of profits, and inability to pay remuneration to the Directors as fixed as per the resolution passed in the 9th Annual General Meeting held on September 29, 2001, the managerial remuneration should be revised so as to be in consonance with the financial condition of the Company.

Maj. Gen. A. L. Suri ceased to be a Whole-time Director with effect from April 1, 2001. He will however continue to be a Director of the Company.

Maj. Gen. A. L. Suri, Vice Chairman of the Company offered to make full waiver of his remuneration for the period starting April 1, 2001 to June 30, 2001.

In view of the above, the Board, subject to approval of the shareholders, at its meeting held on June 28, 2001, gave its approval to the waiver made by Maj. Gen. A. L. Suri for the aforesaid period till further revision made by the Board.

The Board commends passing of the said resolution.

Except Maj. Gen. A. L. Suri, no other Director is concerned or interested in the matter.

Registered Office:
A-246, Shivalik, Malviya Nagar,
New Delhi-110 017.
Dated: August 13, 2001

By Order of the Board of Directors

Meeta Manchanda
Company Secretary

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