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Art D

Board of Directors

The all-star cast: India's biggest names

The storyline: "Life means more..."

The supporting players: Global leaders

The direction: Providing expert guidance

The technical crew: Bringing technology to life

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C O N T E N T S

Board of Directors

Sanjay Agarwal	Chairman
N. S. Trivedi	Executive Director & Secretary
Manoj (Mike) Shah	Director
Dhananjay Agarwal	Director
Allan James McMillan	Director
Russel Boekenkroegeer, Jr.	Director
Shashank G. Ranade	Director
Salil D. Gandhi	Director
Vijaykumar H. Modi	Director

BANKERS

: Janata Sahakari Bank Limited, Pune
IndusInd Bank Ltd.

AUDITORS

: Parimal R. Shah & Co.
Chartered Accountants

REGISTERED OFFICE

: 124A, Sohrab Hall,

21, Sassoon Road, Pune 411 001.

REGISTERED OFFICE

: R & D Consultants Ltd.

610 Dalamal Towers,

211, Nariman Point,

Mumbai 400 021.

The all-star cast: India's original heroes



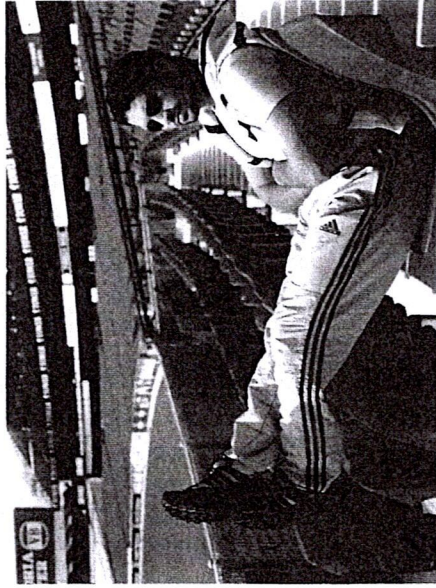
Prepared for action at Fox Studios, Australia

Scene 1

The stage curtains open at Fox Studios, Australia, and out steps India's latest screen phenomenon, Hrithik Roshan. It's late and he's been continually rehearsing a strenuous dance sequence for the new Home Trade 'life means more' TV commercial... "Perfect", shouts the Argentinian director at Hrithik's flawless first take. Yet few people are aware that this no-nonsense star is nursing a strained leg muscle. "I couldn't disappoint everybody," he says later, "I believe in giving my best, and then some more. That's why the Home Trade theme really appealed to me."

Scene 2

The world's best batsman, Sachin Tendulkar, strides onto one of the world's great cricket grounds, the Sydney Oval. The first ball he strikes soars into the pavilion.



With the Home Trade 'life means more' TV commercial

but this is not a cricket match — it's Sachin's way of life, caught in the new Home Trade 'life means more' TV commercial. The next ball thuds onto the distant roof. Taking aim, he smashes the third ball clean through the clocktower. As the little master says, "I'm never satisfied with what I've achieved. I always want more runs, more wickets, more wins for my country and my team."

Scene 3

Flashbulbs pop, the crowd jostles... it's a star-studded premiere but there's one star everyone wants a glimpse of. As the limousine glides to a halt, a roar welcomes the crowd's favourite, Shah Rukh Khan. Despite hardly having time for himself, he makes time for his fans, acknowledging their wishes, signing autographs. It's all part of the new Home Trade 'life means more' TV



With the Home Trade 'life means more' TV commercial

commercial he's shooting. "I look on every moment as an opportunity to achieve something more," states Shah Rukh, "Because the most important role I'll ever play is to be a real life example to those around me."

The storyline: "life means more..."



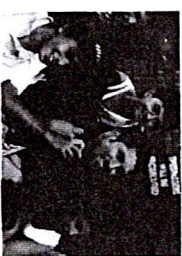
Three of India's most loved icons, respected for the commitment, energy and effort they put into everything they do. Each is an inspiration of what can be achieved when you continually aim for more. Together, they personify the brand ideals and vision of Home Trade. To help people reach higher, strive harder, invest better and enjoy life's experiences to the full.

Using Hrithik, Sachin and Shah Rukh, Home

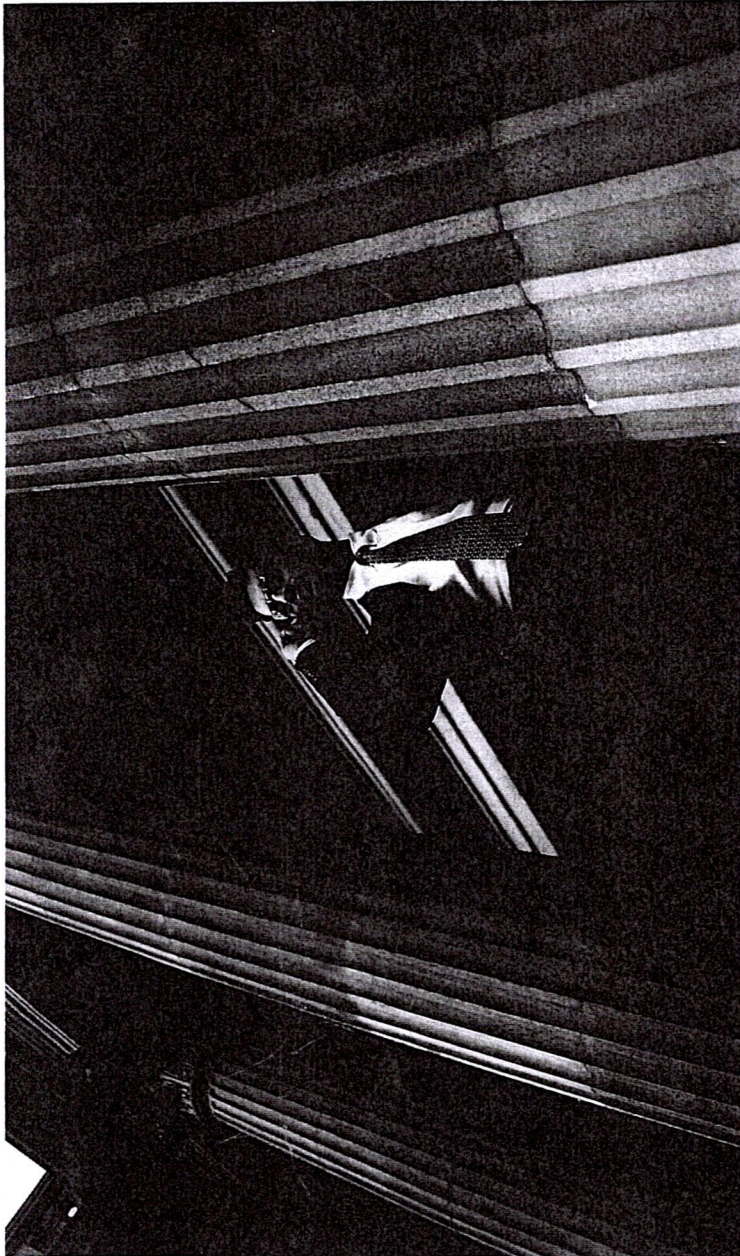
Trade is breaking through the straitjacketed thinking that has surrounded financial services in the past. The objective: To make investing more interesting, convenient and, yes, even fun to do. Home Trade's method: To let technology converge into a part of people's everyday work and life, opening up new opportunities for them to manage their assets — at any time, from any place, using any means that they choose.

In short, Home Trade's objective is to create an international investing experience right here in India, featuring more control, more confidence, more capabilities... all centred around getting more from money, and more from life.

Images from the Home Trade TV commercials.



The supporting players: Global leaders



Trade has amassed to deliver investors better value.

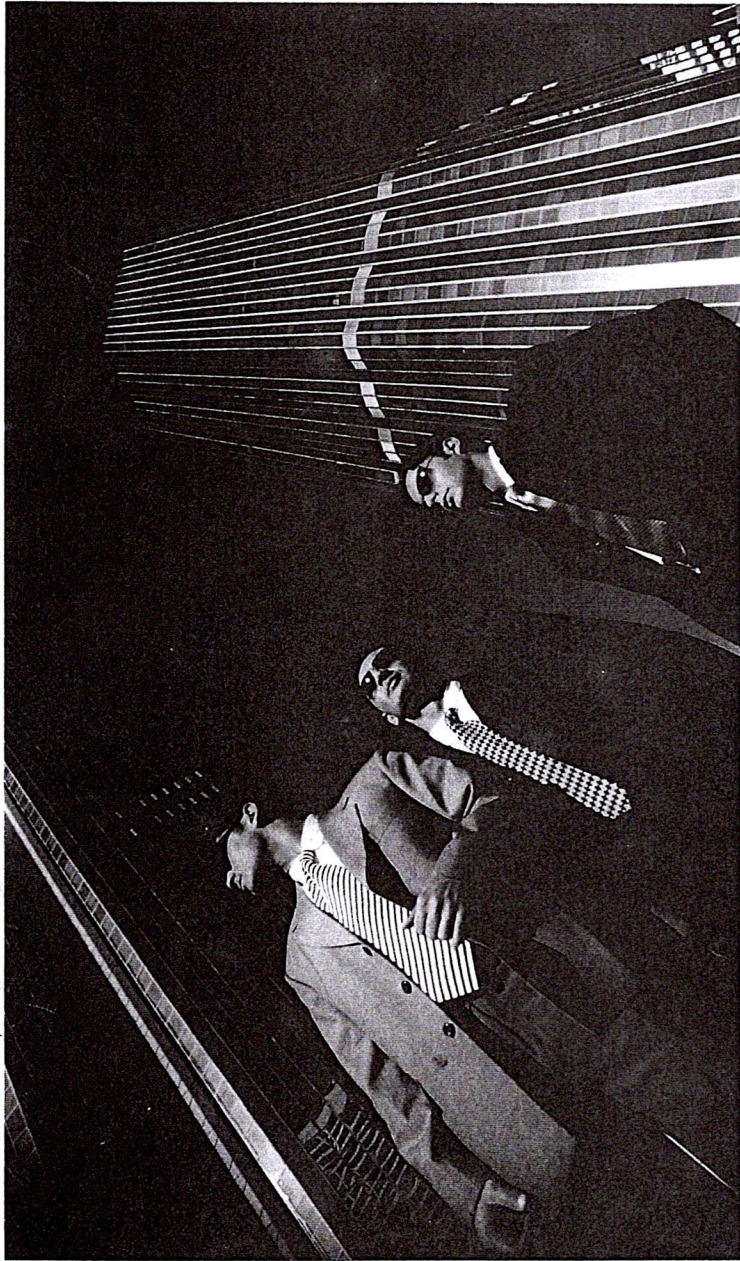
From Dow Jones, Reuters, CMIE and Credence comes incisive, thoroughly researched information and interactive money management tools, adding to the immediate reaction times on breaking news from a network of correspondents nationwide. Andersen, PricewaterhouseCoopers and AT Kearney complement Home Trade's own initiatives with world class risk management processes, back office operations and customer service strategies. The unmatched transaction processing capabilities of Tandem, a Compaq company, provide the reliable, large-volume, fail-safe characteristics that ensure Home Trade possesses one of the most powerful trading engines available.

Throughout, best-of-class partners have been sourced from the world over to give Home Trade customers the edge in business and market knowledge.

What distinguishes the Home Trade brand is the robust network of international alliances it has created. Among them are such world reputed organisations as Dow Jones, Reuters, CMIE, Credence, Andersen, PricewaterhouseCoopers, AT Kearney, Compaq and more. These partnerships reinforce the content, in-house capabilities and solid credentials that Home



The technical crew: Bringing technology to life



The Home Trade advantage lies in the innovative ways it uses the Internet and technology convergence to deliver investors more... of everything they want in life.

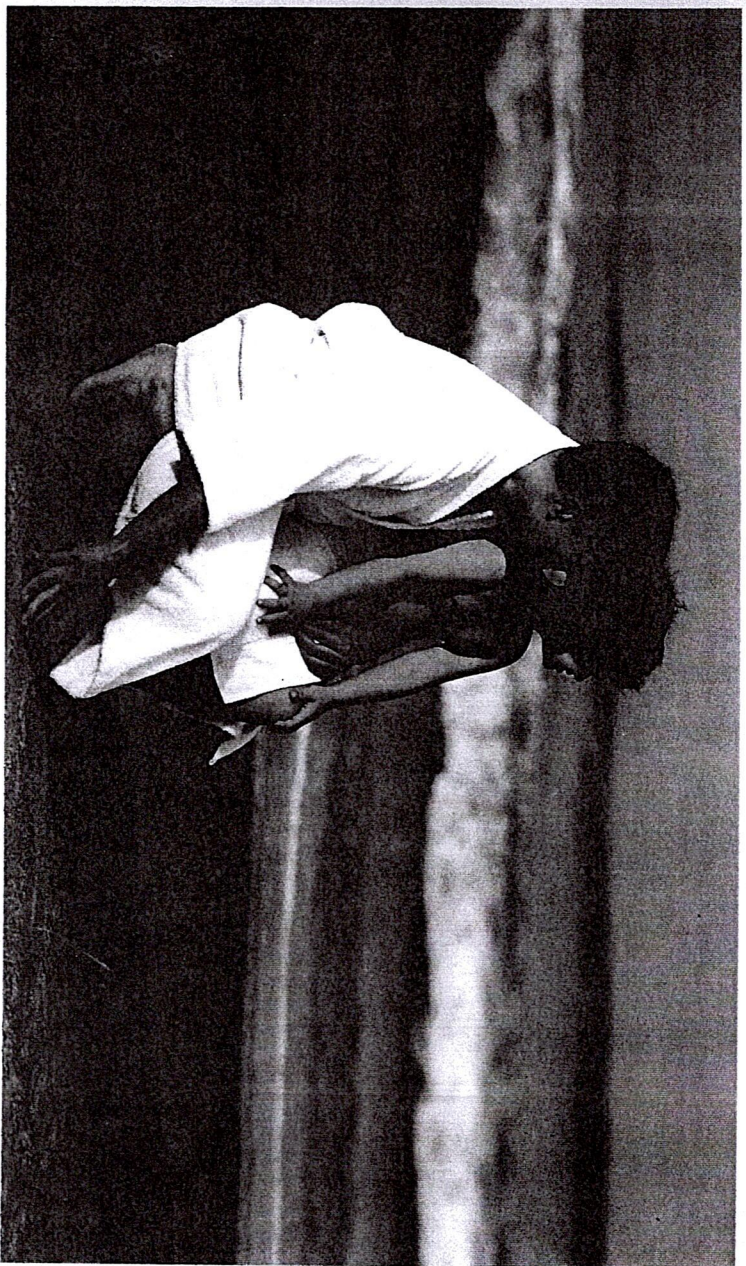
For instance, reliable, timely, unbiased news and information at www.homeTrade.com, one of the most comprehensive financial websites encompassing over

half a million pages. A host of broadband initiatives including live video of breaking events, radio, online chat and more. The capability to transact in stocks, mutual funds, bonds, debentures and deposits, all through one account! Round-the-clock customer support from a 24x7 helpline and toll-free number. An ongoing quality audit of technology and the website to enhance performance and resolve customer issues. So that, whenever customers are ready to invest, they're sure of the world's best at their fingertips -- on the Internet, over mobile phone or telephone, through a vast network of agents or at special centres in every neighbourhood across the country. Plainly put, with Home Trade, they've got it ready made.

The screenshot shows a complex web interface with multiple columns of text and data. Key sections include:

- For the latest news videos:** A section with a play button icon.
- MARKETS:** Includes sub-sections for Stock Markets, Debt Market, Futures, and Commodity.
- DATA & RESEARCH:** Lists various financial indices and reports.
- CHANNELS:** Lists different content channels like TV, Radio, and Print.
- SPECIALS:** Features special reports and analyses.
- Traders Login MyHomeTrade Newsletters:** A section for registered users.
- Live Scorecard:** A real-time market performance indicator.
- RECTOR:** Information related to the Reserve Bank of India.
- HOISTACTIVES:** A section for active investors.
- QUOTES:** A section for real-time market quotes.

The direction: Providing expert guidance



To achieve extraordinary results calls for extraordinary skills and effort from people. And that's where Home Trade's emphasis on world class professionals is paramount. The team comprises specialists with vast domain knowledge in retail financial services, FMCG sales and distribution, drawn from leading firms across India and the globe. This talent pool spearheads the

management initiatives and brand building expertise needed to construct a strong, long lasting organisation.

Just as importantly, Home Trade's people assets reach across the country. Already, motivated knowledge workers drive sales and provide unstinting support to customers in 12 major cities... and the network keeps on expanding. The aim is to ensure that Home Trade is everywhere its customers are. Which means close tie-ups with frontline sales and customer support agencies in various cities as well as an army of authorised dealers, distributors and retailers, all reinforcing Home Trade's significant countrywide presence.

Because, in the long term, to reach out to customers, you have to reach the core of what they all want from life... and that is more!

Home Trade brings interesting closer to homes office wherever



The big picture: Expect a lot more



Why should a financial services organisation stick rigidly to helping people manage money? Why can't it expand its horizons to encapsulate every area where customers can get more from their money such as health and travel, women and student specific issues, lifestyle and more? In fact, why can't it embrace every aspect and facet of life? That's the simple concept that drives

and energises Home Trade's activities across diverse, non-traditional finance sectors.

Which is why the past year has seen Home Trade's influence soar with an array of innovative marketing and promotion campaigns. These include rocking the world of finance by bringing world class performers like rockstar Bryan Adams to India, capturing the imagination of next-generation investors. Home Trade was also at the forefront in sponsoring National Geographic's adrenaline-inducing Adventure One roadshow, the rematch of the India-Australia Tied Test 1986, a Golf for Gujarat tournament for earthquake relief, a special performance by Indipop sensation Adnan Sami... the list goes on.

All these diverse activities were focused around building Home Trade into a megabrand, with one long term goal. To ensure that valued stakeholders like you not only get more from your investment, but more from life.

An advertisement for 'Want of me?'. It features a close-up, high-contrast black and white photograph of a man's face, looking directly at the camera. The text 'Want of me?' is written in a large, bold, sans-serif font across the middle of the image. Below it, in a smaller font, is 'The man's'. At the bottom left, there is a logo for 'BH' and the text 'The man's'.

Message from the Chairman



Dear Home Trade Member,

The year 2000-2001 witnessed a wave of excitement that promises to touch every aspect of the way people manage their money. And your company has been driving this movement through a core idea we call "life means more...".

It is a vision founded on world class services and support that use the Internet and technology convergence to deliver customers a rich, fulfilling investing experience. We see this concept as the dynamo behind Home Trade's efforts to help people get more from their money, more from life, even in non-conventional sectors like health, travel, lifestyle and other challenging areas.

We envisage finance reaching people where and when they want, we envisage products and services easily available off-the-shelf, and we envisage Home Trade as the prime mover in this emerging, high growth finance space.

Sanjay Agarwal, Chairman

Directors' Report

To

The Members of Home Trade Limited

Your Directors have pleasure in submitting their Eighth Annual Report and Audited Accounts for the year ended March 31, 2001.

1. FINANCIAL HIGHLIGHTS

	31-Mar-01 (Rs. in lacs)	31-Mar-00 (Rs. in lacs)
Gross Income	6722.57	1453.29
Profit before Tax	3156.23	713.22
Provision for Income Tax/Wealth Tax	251.25	160.30
Profit after Tax	2904.98	552.91
Add: Net Profit brought forward	349.76	171.30
Provision for Income Tax for earlier years written back/(off)	(43.45)	(37.12)
Provision for Service Tax for earlier years written back/(off)	30.00	(30.00)
Profit available for Appropriation	3241.29	657.09
• Proposed Dividend	239.61	239.61
• Dividend Tax	24.44	52.71
General Reserve	85.00	15.00
Balance carried forward	2892.24	349.76

2. DIVIDEND

Your Directors are pleased to recommend a payment of dividend after providing for

dividend tax for the year ended 31st March, 2001, @ 10 % on Rs. 239,610,000, absorbing Rs. 239.61 lacs (previous year 10% absorbing Rs. 239.61 lacs). The dividend, if approved at the ensuing Annual General Meeting, will be paid to all the shareholders, whose names appear on the Register of Members, as on 29th September, 2001.

3. OPERATIONS

In the year under review, your Company has undertaken several significant initiatives towards establishing itself as a dominant convergence-centric financial services company.

Your Company's online presence through www.hometrade.com is currently among the largest independent and objective aggregators of business news and financial information in the country. Home Trade has put in place an extensive global network of alliances with leading information vendors as well as over 50 independent analysts and reporters within India to ensure that the consumer has access to the most comprehensive and reliable source of business news, incisive analyses and financial information.

In the period under review, your Company has undertaken an intensive integrated branding exercise. This included a national outdoors campaign and a TV campaign. Preliminary research commissioned by your Company has confirmed that Home Trade enjoys remarkably high levels of brand recall among the target audience. Your Company will continue to pursue an active strategy towards establishing Home Trade as a leading global brand.

Your Company has partnered with leading consultancies – like Arthur Andersen, PricewaterhouseCoopers and AT Kearney, for various aspects of the business to ensure that Home Trade becomes a truly world class financial services provider. Home Trade's e-trading engine went live in March 2001, after undergoing rigorous testing to ensure it is among the fastest and most reliable in the field. Further efforts are on to make the

Home Trade e-trading services offering, a seamless, end-to-end transaction experience.

Your Company Home Trade has a sound transaction-based revenue model in place. The Company's revenues would primarily come from the transactions on its wide range of financial products and services. Home Trade would improve realisations from customers by cross selling and market synergies across different financial product segments. The financial figures further reinforce your Company's record of continued growth. Total income has shown a growth of 362% and increased from Rs. 1453 lacs in the previous year to Rs. 6723 lacs in the year under review. Similarly, Profit before Interest and Tax has increased by 300% to Rs. 3642 lacs and Profit after Tax has increased by 425% to Rs. 2905 lacs.

4. INDUSTRY SCENARIO

The financial services sector has been one of the fastest growing sectors, both in India as well globally. Furthermore, this sector has proved resilient to the downturn in the global IT industry which was preceded by the slowdown in the US economy. Also, the financial services sector is the largest market for technology solutions. Technology in turn is bringing about a transformation in this sector and will increasingly become the most important competitive advantage of financial services companies.

The concept of financial convergence, which is at the centre of Home Trade's business model, is changing the basis on which players in this sector are organised. Customer needs and expectations are also changing rapidly and this is creating immense opportunities for new players to enter and redefine the financial services market. Your Company's expertise in the financial services domain, as well as its emphasis on innovative technology-driven products and services, makes it eminently positioned to capture growing opportunities in the sector.

5. BUSINESS FOCUS & FUTURE PLANS

The Company is pursuing dynamic, versatile business strategies which would capitalise on changing trends in the financial services industry. Having launched its e-trading

service, one of the most advanced in the country, Home Trade plans to extend its services to cover the entire spectrum of personal financial services, including mutual funds, personal and housing loans, debt trading and credit cards. Your Company is still in the establishment phase and is making rapid progress in setting up the operations of the business.

Your Company is pioneering the development of innovative technology-based finance products that will give the consumer greater access to a host of financial services. These initiatives are aimed at changing the way financial service is perceived with the ultimate objective of empowering the consumer.

6. PERSONNEL

In the year under review, the Company implemented multiple new initiatives to further augment and professionally manage the human resources capital of the Company, undeniably its most important asset. Your Company has created a lean and flat internal organisation structure, comprising a core team of knowledge workers. This has been done with a view to provide Home Trade the flexibility and agility that is essential for successfully operating in the dynamic convergence domain.

In order to be able to leverage and utilise the best available resources, your Company has created a unique outsourcing employment model that leverages a network of alliances with best-in-class organisations.

Your Company's current organisational structure has been specifically designed to facilitate effective planning and execution of business strategy during in its current phase – construction and establishment of its business model. This structure enables each major business line to function independently while cross-functional teams ensure integration of activities and focus on achieving common goals.

The professionalism and dedication of the Company's employees at all levels have made it possible to achieve the impressive performance during the year under review.

Your Directors wish to place on record their deep appreciation for the same.

7. FINED DEPOSITS

Your Company has not accepted any fixed deposits during the year under review.

8. CORPORATE GOVERNANCE

Your Company continues to practice good corporate governance with the objective of following best-in-class operating initiatives and enhancing shareholders'/investors' confidence. Your Company remains committed to a system of good corporate governance by constantly increasing the level of transparency and accountability to its shareholders. The Company's internal control structure ensures compliance with all the legal requirements and mandatory provisions of Corporate Governance as prescribed under the Listing Agreement with Stock Exchanges. The Corporate Governance Report is annexed to the Directors' Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made for the same.
- (ii) Appropriate accounting policies have been selected and applied consistently and have made judgments 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 on 31st March, 2001, and of the profit of the Company for the said period;
- (iii) 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;
- (iv) The Annual Accounts have been prepared on a going concern basis.

10. DIRECTORS

During the year under review, Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi were appointed as Additional Directors of the Company w.e.f. 15th May, 2001, pursuant to Section 260 of the Companies Act, 1956. In terms of the applicable provision of the Companies Act, 1956, and Article 116 of the Articles of Association of the Company, their term of office as Additional Directors expires at the ensuing Annual General Meeting. The Company has received notices from members of the Company proposing the candidature of Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi for the offices of Director. The Board recommends their appointment.

During the year under review, Mr. Ketan Sheth resigned from the Board of Directors w.e.f. 15th May, 2001. The Board records its appreciation for the contributions made by Mr. Sheth during his tenure as a Director of the Company.

11. AUDITORS

M/s. Parimal R. Shah & Co., Chartered Accountants, have expressed their desire not to seek reappointment as Auditors of the Company. The Board of Directors recommends that M/s. J. S. Vanzara Associates, Chartered Accountants, who are eligible for the appointment, be appointed as Auditors of the Company.

The Board of Directors of the Company clarified the following points with regard to the Auditors' Report, as annexed to this Report, for the year under review:

- (i) The Board of Directors are of the opinion that, though the internal control procedures are meticulously designed to meet the business requirements, however considering the growing business activities of the Company, the internal control mechanisms and procedures would be upgraded to meet the requirements of the fast changing activities of the Company.
- (ii) As per Clause 15 to the Auditors' Report, the Board of Directors hereby clarifies:

- a) The admitted tax liability under dividend tax and the tax deducted at source are in the process of being paid.
- b) In respect of Income Tax liability, the Company has sought legal opinion and on receipt of the said opinion, the Company will pay the same.

12. STATUTORY INFORMATION

A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pursuant to 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, relating to the conservation of energy and technology absorption, are not applicable to the Company and hence not provided. As regards the information in respect of foreign exchange earnings and outgo, the same has been given in Annexure 'A' to the Directors' Report.

B) PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in Annexure 'B' to the Directors' Report.

C. ACKNOWLEDGMENT

The Board of Directors wishes to thank its bankers, clients, business associates for their continued cooperation and support. The Board also wishes to express its appreciation to all staff members for their contribution towards achievement of the year's performance.

Place : Mumbai
 Date : August 14, 2001

For and on behalf of the Board
 N. S. Trivedi
Executive Director & Secretary

REGISTERED OFFICE: 124A, Sohrab Hall, 21, Sasoon Road, Pune 411 001.

Annexure 'A' to the Directors Report

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A) Foreign Exchange Earnings and Outgo	
i) Foreign Exchange Earnings	- Nil
ii) Foreign Exchange Outgo	- Rs. 1,66,57,585.00

Management Discussion and Analysis

BUSINESS REVIEW

Home Trade is in the process of operationally establishing its business model and has achieved significant progress with regard to the implementation of its plans over the last one year.

It has been a challenging, exciting and rewarding year where the Company formally defined its strategy and business intent, and achieved significant progress in the implementation of its corporate plans. The outline of the Company's plans and progress are covered below.

Re-defining Finance

Home Trade has made considerable operational progress to establish itself as a dominant convergence centric financial services company. The Company is endeavouring to create a new benchmark in the financial services sector by designing and offering innovative products and services that extend beyond getting 'more from your money' to deliver 'more from life'. The Company is aiming to revolutionise financial services by achieving true productisation of financial services, by breaking the barriers of conventionally accepted financial products, by establishing a strong well recognised and well regarded brand, and empowering the consumer by supporting its initiatives with cutting edge technologies.

Establishing a strong business foundation

Home Trade is creating an exceptionally strong business structure with a rock solid foundation and physically powerful pillars that will support the establishment and rapid growth of the Company's business in a sustainable and scalable manner on a long term basis.

Towards its stated objective of establishing a rock solid foundation, the Company intends to have diversified and de-risked revenue streams by offering cross-segment financial products and services. The Company has adopted extensive state-of-the-art technological expertise

across all areas of its operations and it has also created a powerful brand that will give it a distinct edge in the competitive world of financial services and products.

Created a unique competency matrix

As a part of its initiative to install a solid foundation, the Company has designed a unique competency matrix comprising key attributes that include being a customer centric, knowledge based, brand focused and technology led organisation. The customer centric approach comprises the utilisation of multiple contact channels such as the Internet, phone and physical routes to deliver hi-tech and hi-touch service. The Company has formulated knowledge led research programmes that formally evaluate customer requirements and aspirations, the findings of which can be used to design and customise its products. The brand strategy aims to redefine the conventional perceptions about finance, making it more of a lifestyle brand that is further strengthened through collaborated customer loyalty programmes. Its technology approach ensures that the Company adopts best-in-class technology solutions and progressive customer relationship management initiatives.

Achieved operational progress in line with plan

Built an exceptional management team: Home Trade has created an exceptionally high quality management team that has a set objective of establishing an outstanding business operation that can continuously grow and reward its stakeholders over a long term period. The Company's key talent pool comprises 48 individuals who have excellent academic qualifications and record, and bring with them diverse experience that can be synergistically deployed to grow the Company's business.

Created nationwide sales infrastructure: In order to support the Company's customer centric operating approach, Home Trade has established a national sales reach that comprises direct sales network with premier sales and service partner organisations in key locations. It has engaged the services of specialised direct sales agents that have skills in tele-calling, institutional sales and event management. It has set up both agent and customer training

centres to provide high quality consumer response. The Company's sales strategies have been validated by PricewaterhouseCoopers.

Established customer care channels: Home Trade has established a centralised customer interaction infrastructure that provides single point, multiple channel access to financial services. It allows "anytime, anywhere" transaction capabilities, imparting much required flexibility to the consumer. The Company has a Customer Relationship Management Centre that has 25 dedicated knowledge workers available on a 24x7 basis. The customer care centre has the option of allowing the customer to initiate online, telephonic or physical contact with Home Trade. As a part of its customer care focus, the Company has initiated the development of a unique Home Trade Rewards programme – which will be the first of its kind in India. This programme is being designed by Brierley & Partners who also manage similar programmes for some of the leading global corporates.

Installed best-in-class technology infrastructure: The Company has an operational approach of adopting the most relevant best-in-class technological infrastructure. Home Trade has installed a high volume Tandem based OLTP trading engine. It has a world class e-brokerage system that has been designed by Andersen while the back office operations are run by PricewaterhouseCoopers. The technology allows for seamless user experience through state-of-the-art routers and switches. The Company uses VSNL, Satyam and Net Magic server farms to allow fast downloads and 24x7 availability. The XML created website features half a million pages of content with adaptability even for mobile and hand-held devices. Home Trade has engaged Wipro Corporation to ensure high quality monitoring and maintenance of the Company's technology infrastructure.

Created a distinct brand identity: The Company has created a powerful lifestyle brand building campaign using three of India's biggest icons – Hrithik, Sachin and Shah Rukh, with the objective of making finance fun, easy and exciting, and also challenging the existing paradigms of finance. The brand promotion exercise has already achieved significant success

with the advertising being ranked among the top 5 in unaided brand recall.

Entered into best-in-class alliances: As a part of the Company's business establishment process, Home Trade has entered into multiple alliances with various services providers both in India and internationally. The alliance partners include organisations such as Reuters, CNBC, AT Kearney, Andersen Consulting, PricewaterhouseCoopers, CMIE, Mulfex Barra and Crisil, just to mention a few. The Company believes that, with the support of competent and specialised alliance partners, it will have the distinct advantage of having access to the most competent resources in all its areas of operations.

Successfully implemented the first step of establishing an outstanding online presence: The Company, in a short span of five months, has established www.hometrade.com as the most comprehensive business and financial destination in the country. The online site has over half a million pages of news, information, analysis and expert guidance, and has over five million page views a month, with over a hundred thousand registered users. Its online presence uses pioneering initiatives such as broadband webstreams and audio bytes to provide an unparalleled user experience to its audiences.

in conclusion

Home Trade is pioneering a new concept in the financial services sector. The Company believes that it has the potential to establish a unique business model that will provide high quality returns to all the Company's stakeholders.

Review of Specific Business Aspects

Sector Review

The financial services sector has been maintaining its steady growth both in India as well as in the global market. The industry has been growing despite a slowdown in the global information technology sector. The Company believes that the growth in the sector will continue on a sustainable basis.

In India, the financial services sector is gaining maturity at a rapid pace. The progressive initiatives being undertaken by SEBI and the integration of the domestic capital markets with the international environment is likely to open many fresh business opportunities to innovative companies within this sector.

Business wise performance review

Since the Company is still in the establishment and construction phase, the business wise performance review is not of relevance at this stage.

Financial performance review

Since the Company is still in the establishment and construction phase, the review of financial performance of its core business is not of relevance at this stage. The Company has incurred the following capital expenses in the year under review:

- a. Website and related software expenses Rs. 20.10 crores
- b. Computer hardware Rs. 7.87 crores
- c. Brand and website promotional expenses Rs. 19.63 crores

Key Business opportunity and threats review

The Company believes that there is an existing need in the Indian financial services industry for a single-point source of premium quality services that caters to diverse requirements, both anticipated and aspired, of the finance consumer. Companies that demonstrate the

ability to harness advances in technology, specifically in convergence, to provide comprehensive and unparalleled financial products and services to fulfill consumer needs, have the potential to establish compelling business propositions in the future.

However, the financial convergence based business models are predominantly online-centric, which implies lower entry barriers into the segment. The Home Trade management is confident that, as one of the initial convergence-oriented financial service providers, that it has established a tangible brand equity that would give it a fast and first mover advantage.

Business risks and concerns review

The Company's operations are subject to operating risks, most of which are also generic to the sector of operations and similar businesses within the industry. These include technology related risks, the ability of the business to adapt to a rapidly changing environment, risks associated with the securities business, risks of entering new products and markets, competitive risks and risks related to the change in government regulations.

However, the Company believes that the soundness of its business model combined with the prior experience of management in this area of business will help address the various risks that are inherent to this business.

Cautionary Statement: Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. We cannot guarantee that any forward looking statement will be realised, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions, and other economic and regulatory factors.

Corporate Governance Report

Pursuant to Clause 49 to the Listing Agreement, a report on Corporate Governance is set out below:

1. **Philosophy on Code of Governance:** Your Company is firmly committed to building long term shareholders' value with full emphasis on good corporate governance. Your Company will constantly endeavour to be a responsible partner in society, acting in integrity towards its shareholders, customers, employees, the government, its business partners and other stakeholders.

2. **Board of Directors:** The present Board of Directors consists of:

- | | | | |
|--------|---------------------------------|---|--------------------------------|
| (i) | Mr. Sanjay Agarwal | - | Chairman & Wholetime Director |
| (ii) | Mr. N. S. Trivedi | - | Executive Director & Secretary |
| (iii) | Mr. Manoj A. Shah | - | Non-Executive Director |
| (iv) | Mr. Dhananjay Agarwal | - | Non-Executive Director |
| (v) | Mr. Shashank G. Ranade | - | Non-Executive Director** |
| (vi) | Mr. Salil D. Gandhi | - | Non-Executive Director** |
| (vii) | Mr. Vijaykumar H. Modi | - | Non-Executive Director** |
| (viii) | Mr. Alan James McMillan | - | Non-Executive Director** |
| (ix) | Mr. Russel H. Boekenkroeger Jr. | - | Non-Executive Director** |

** *Indicates Independent Director.*

The Board of Directors has met fifteen times in the year under review.

3. **Audit Committee:** The Company has constituted an Audit Committee according to the provisions of Section 292A of the Companies Act, 1956. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other Members of the Committee are

and Company Secretary. The Company Secretary acts as the Secretary of the Committee.

4. **Remuneration Committee:** The Company has constituted a Remuneration Committee according to the provisions of Clause 49 of the Listing Agreement. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other Members of the Committee are Mr. Salil D. Gandhi, Mr. Vijaykumar H. Modi and Mr. N. S. Trivedi, Executive Director and Company Secretary. The Company Secretary acts as the Secretary of the Committee.

5. **Shareholders Grievances Committee:** The Company has constituted a Shareholders Grievances Committee according to the provisions of Clause 49 of the Listing Agreement. Mr. Shashank G. Ranade was appointed as the Chairman of the Committee. The other Members of the Committee are Mr. Salil D. Gandhi, Mr. Vijaykumar H. Modi and Mr. N. S. Trivedi, Executive Director and Company Secretary. The Company Secretary acts as the Secretary of the Committee.

6. **Accounting Standards and Financial Reportings:** The Company has incorporated the necessary accounting standards as prescribed from time to time. The Company has been publishing the quarterly reports of the Company as per the provisions of the Listing Agreement.

7. **Board Procedures:** The Board of Directors of your Company meet at least once in three months in a calendar year. The Directors of your Company are notified well in advance of the agenda and holding of a Board Meeting. During the financial year 2000-2001, the Board of Directors of your Company met fifteen times, which were well attended. The Members of the Board of Directors have free and undisturbed access to all the information about your Company, and can recommend the inclusion and removal of any matter from the agenda of a Board meeting.

(i) **Compliance Officer:** Mr. N. S. Trivedi, Executive Director and Company Secretary,

(ii) Management: The Company has voluntarily disclosed the Management & Discussion Analysis Report in the Annual Report 2000-2001, even though the Company will be compulsorily required to include the same on or before 31st March, 2002.

(iii) Auditors' Certificate on Corporate Governance: As attached.

Place : Mumbai
Date : August 14, 2001

For and on behalf of the Board
N. S. Trivedi
Executive Director & Secretary

Annexure (iii) – Auditors' Certificate
on Corporate Governance

To
The Board of Directors
Home Trade Limited

Dear Sir,
We hereby certify that the Company has complied with the provisions of Clause 49 to the Listing Agreement with effect from May 15, 2001.

Place : Mumbai
Date : June 30, 2001

For PARIMAL R. SHAH & CO.
Chartered Accountants
PARIMAL R. SHAH
Proprietor

General Shareholders' Information

(viii) Distribution of Shareholders: (As on June 30, 2001)

Share Holding of Nominal Value	Numbers	Share Holders
%		
1 - 5,000	10131	99.18
5,001 - 10,000	13	0.13
10,001 - 20,000	13	0.13
20,001 - 30,000	7	0.07
30,001 - 40,000	3	0.03
40,001 - 50,000	4	0.04
50,001 - 1,00,000	1	0.01
1,00,001 - 2,00,000	2	0.02
2,00,001 - 3,00,000	2	0.02
3,00,001 - 99,99,999	39	0.37
Total	10215	100.00

(ix) Dematerialisation: The Company has entered into an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

(x) Address for Correspondence

Registered Office: 124A, Sohrab Hall, 21, Sasoon Road, Pune 411 001.

Corporate Office: International Infotech Park, Tower No. 4, 5th Floor, Vashi, Navi Mumbai 400 703.

(i) Eighth Annual General Meeting

Date: 29th September, 2001

Time: 10.00 am

Venue: 124A, Sohrab Hall, 21, Sasoon Road, Pune 411 001.

(ii) Financial Calendar

Date of AGM: 29th September, 2001

Date for taking on records the Unaudited Quarterly Results:

a. For June 30, 2001 - July 31, 2001

b. For September, 2001 - Last week of October, 2001

c. For December, 2001 - Last week of January, 2002

d. For March, 2002 - Last week of April, 2002

(iii) Date of Book Closure

27th September, 2001, to 29th September, 2001 (inclusive of both days)

(iii) Dividend Payment Date: On or after 4th October, 2001

(iv) Listing on Stock Exchange: The Pune Stock Exchange and The Bangalore Stock

Exchange. The annual listing fees for the said exchanges have been paid in advance.

(v) Stock Code: INE 951A01024

(vi) Registrar & Transfer Agent

M/s. R & D Consultants Limited, 610, Dalamal Tower, 211, Nariman Point, Mumbai

400 021. Tel: 022-2834347. Fax: 022-2855759.

(vii) Share Transfer System: The shares of the Company are in compulsory dematerialisation

and the transfer of shares shall be effected electronically through the dematerialised system to the specified limits.

Auditors' Report

PARIMAL R. SHAH & CO
CHARTERED ACCOUNTANTS

1/20, Bakul, Lallubhai Park, Andheri West, Mumbai 400 058.

Tel: 022-6249031

To

The Members of Home Trade Limited

We have audited the attached Balance Sheet of Home Trade Limited as at March 31, 2001, and the Profit and Loss Account of the Company for the period ended on that date, annexed thereto, and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs.

2. Further to our comments in the Annexure referred to in paragraph (1) above:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
- (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this

report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, in so far as they are applicable to the Company;

(e) On the basis of the written representation received from Directors as on 31st March, 2001, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2001, from being appointed as a Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

(f) In our opinion and to the best of our information and knowledge, and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and the Notes to the Accounts thereon as per Schedule 13 and, more particularly for Note No. 5, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2001; and,
- (ii) In the case of the Profit and Loss Account, of the profit for the period ended on that date.

Place : Mumbai
Date : June 30, 2001

For PARIMAL R. SHAH & CO.
Chartered Accountants
PARIMAL R. SHAH
Proprietor

Annexure referred to in Paragraph 1 of the Auditors' Report to the Members of Home Trade Limited on the accounts for the year ended March 31, 2001

Internal Controls

1. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased are of a special nature of which suitable alternative sources do not exist for obtaining comparative quotations, *there is a scope for strengthening internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of computer hardware and software, plant and machinery, equipment and other assets, services and for the sale of goods.*
2. *Internal audit system needs to be strengthened commensurate to the size and nature of its business.*
3. *In relation to the service activities of the Company, a reasonable internal control system commensurate with the size of the Company and the nature of its business needs to be strengthened.*

Fixed Assets

4. The Company is in the process of updating its records of Fixed Assets showing full particulars, including quantitative details and location. Some of the Fixed Assets were physically verified during the year by the management in accordance with the programme of verification, formulated during the year. *In our opinion, there is a scope for increasing the frequency of verification, having regard to the size of the Company and the nature of its assets. As informed to us, no discrepancies were noticed by the management on such physical verification.*
5. None of the Fixed Assets have been revalued during the period.

6. Inventories of shares/securities have been physically verified by management at the year end.

7. In our opinion and according to the information and explanations given to us, the procedures for physical verification of shares/securities followed by management in relation to the size of the Company and the nature of its business is reasonable and adequate.

8. In our opinion and according to the information and explanations given to us, the discrepancies between the physical stock and book stock, which were not significant in relation to the operations of the Company, have been properly dealt with in the books of account.

9. On the basis of our examination of stocks of shares/securities, in our opinion, the valuation of stocks of shares/securities has been fair and proper in accordance with the normally accepted accounting principles in India and is on the same basis as in the preceding year.

Loans and Advances

10. The parties, including employees, to whom loans or advances in the nature of loans have been given by the Company, are generally regular in repaying the principal amounts as stipulated and interest, where applicable.
11. The Company has taken loans, secured or unsecured from companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or from companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956, the rate of interest and other terms and conditions of which are not, prima facie, prejudicial to the interest of the Company.
12. The Company has granted loans, secured or unsecured to companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act,

1956, or to companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956, the rate of interest and other terms and conditions of which are not, prima facie, prejudicial to the interest of the Company.

Related Parties

13. The Company has entered into transactions for sale of goods and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, aggregating during the period to Rs. 50,000 or more in respect of each party, and the terms and conditions of such transactions are, prima facie, not prejudicial to the interests of the Company.

Fixed Deposits

14. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

Dividend

15. According to the information and explanations given to us, *except dividend tax of Rs. 52.71 lacs, income tax of Rs. 188.38 lacs, tax deducted at source under various heads under income tax of Rs. 98.71 lacs*, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which are outstanding as at 31st March, 2001, for a period of more than six months from the dates that they became payable.

Staff Welfare

16. Provident Fund and ESIC, wherever applicable, have been generally regularly deposited by the Company in time during the year with the appropriate authorities.

17. On the basis of the examination of the books of account carried out by us in accordance with generally accepted auditing practices, and according to the information and explanations given to us, no other personal expenses of employees or Directors have been charged to the Profit and Loss Account, other than those payable under contractual

obligations or in accordance with generally accepted business practice.

Others

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

19. The Company is not a sick industrial company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

20. The Company is generally maintaining proper records of the transactions and contracts entered into for dealing or trading or investments in shares, securities and other investments, and timely entries have been made therein. The shares, securities and other investments, unless otherwise specified, are held by the Company in its own name or held with valid transfer documents.

21. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

The matters contained in paragraphs 4A (iii), (iv), (v), (vi), (xii), (xvi) and (xx) in respect of physical verification and valuation of inventory, unserviceable or damaged stores, raw material and finished goods, records for sale and disposal of realisable by-products and scrap, maintenance of cost records and sick industrial companies are not applicable to the Company in respect of the year under audit.

For PARIMAL R. SHAH & CO.

Chartered Accountants

PARIMAL R. SHAH

Proprietor

Place : Mumbai

Date : June 30, 2001

Schedule 31.03.01 (Rs.) 31.03.00 (Rs.)

SOURCES OF FUNDS

1. Shareholders' Funds		
Share Capital	239,610,000	239,610,000
Reserves and Surplus	304,447,956	41,699,906
2. Loan Funds		
Secured	413,496,462	149,812,761
Unsecured	45,154,582	33,498,274
Total	1,002,709,000	464,620,940

APPLICATION OF FUNDS

1. Fixed Assets (including work in progress)		
Gross Block	376,282,824	101,029,499
Less: Depreciation	46,705,837	21,109,138
Net Block	329,576,987	79,920,361
2. Investments	54,797,722	46,448,732
3. Current Assets, Loans & Advances	753,941,401	416,799,323
Less: Current Liabilities & Provisions	240,784,240	89,118,281
Net Current Assets	513,157,161	327,681,042
4. Miscellaneous Expenditure	105,177,131	10,570,805
Total	1,002,709,000	464,620,940

Balance Sheet as at
March 31, 2001

Significant Accounting Policies and
Notes to the Accounts

As per our attached report of even date
For PARIMAL R. SHAH & CO.
Chartered Accountants
PARIMAL R. SHAH
Proprietor
Place : Mumbai
Date : June 30, 2001

For and on behalf of the Board
SANJAY AGARWAL
Chairman
N. S. TRIVEDI
Executive Director & Secretary
VIJAYKUMAR H. MODI
Director

INCOME

Schedule

31.03.01
(Rs.)

31.03.00
(Rs.)

13

Income from Broking Operations			
Gains on Sale of Investments/Securities (Refer Note No. 13 of Schedule 13)		668,021,486	2,648,011
Interest		1,338,268	121,418,406
Other Income	10	2,897,436	17,864,976
Total		672,257,190	3,397,671
EXPENSES			145,329,065
Administrative & General Expenses	11	180,624,809	46,844,377
Interest		48,635,926	20,812,666
Depreciation		25,719,741	5,976,039
Other Non Cash Charges	12	101,653,529	374,350
Total		356,634,005	74,007,432
Profit before Tax		315,623,184	71,321,633
Provision for Income Tax		25,075,000	16,000,000
Provision for Wealth Tax		50,000	30,000
Profit after Tax		290,498,184	55,291,633
Less: Provision for Interest on Income Tax for earlier years Add: Provision for Service Tax for earlier year (Refer Note 6 of Schedule 13)		(4,345,112)	(3,712,730)
Add: Net Profit brought forward		3,000,000	(3,000,000)
Profit available for Appropriations		289,153,072	48,578,903
APPROPRIATIONS			17,129,812
Proposed Dividend		324,129,368	65,708,715
Dividend Tax		23,961,000	23,961,000
Transfer to General Reserve		2,444,022	5,271,420
Balance carried to Balance Sheet		8,500,000	1,500,000
Significant Accounting Policies and Notes to the Accounts	13	289,224,346	34,976,295

As per our attached report of even date
For PARIMAL R. SHAH & CO.

For and on behalf of the Board
SANJAY AGARWAL

Chartered Accountants
PARIMAL R. SHAH
Proprietor
Place : Mumbai
Date : June 30, 2001

Chairman
N. S. TRIVEDI
Executive Director & Secretary
VIJAYKUMAR H. MODI
Director

	31.03.01 (Rs.)	31.03.00 (Rs.)
1. SHARE CAPITAL		
Authorised		
150,000,000 Equity Shares of Rs. 2/- each	300,000,000	300,000,000
(Previous year 30,000,000 Equity Shares of Rs. 10 each)	300,000,000	300,000,000
Issued, Subscribed and Paid up		
119,805,000 Equity Shares of Rs. 2/- each, fully paid up	239,610,000	239,610,000
(Previous year 23,961,000 Equity Shares of Rs. 10 each, fully paid up)	239,610,000	239,610,000
2. RESERVES AND SURPLUSES		
General Reserve		
Opening Balances	6,723,611	5,223,611
Add: Transfer from Profit & Loss Account	8,500,000	1,500,000
	15,223,611	6,723,611
Profit and Loss Account	289,224,346	34,976,295
	304,447,956	41,699,906
3. SECURED LOANS		
Hire Purchase Finance	-	585,589
(Secured by hypothecation of Motor Vehicle)		
Bank Overdraft	341,842,333	95,879,846
(Secured by pledge of Government Securities)		
Cash Credit Facility	38,853,273	-
(Secured by pledge of Government Securities)		
Term Loan from Bank	28,091,052	32,111,108
(Secured by hypothecation of Stock-in-trade, Receivables and pledge of certain Equity Shares)		
Repayable within a year: Rs. 18,339,475 (previous year: Rs. 15,330,000)		
Global Housing Finance Corp. Ltd.	4,709,804	5,387,946
(Secured by mortgage of Residential Properties)		
Letter of Credit from Bank	-	15,848,273
(Secured by hypothecation of Stock-in-trade, Receivables and pledge of certain Equity Shares)		
4. UNSECURED LOANS		
Short Term		
From Others - Inter Corporate Deposits	45,154,582	33,498,274
	413,496,462	149,812,761
	45,154,582	33,498,274

Schedules forming
part of the Accounts

5. FIXED ASSETS ACCORDING WORK IN PROGRESS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on	Additions	Deletions	As on	Additions	Deletions	As on	As on
	1,04,00			31,03,01	1,04,00		31,03,01	31,03,00
Trademark	-	1,217,200	-	1,217,200	101,433	-	101,433	1,115,767
Building	8,312,800	6,233,038	-	14,545,838	39,722	144,128	183,850	14,361,988
Computer Hardware	37,428,540	78,710,017	2,187,872	113,950,685	12,907,539	10,078,032	14917	22,970,654
Website & Other Software	14,763,050	201,026,268	29,200	215,760,118	4,069,899	13,967,031	1193	18,035,737
Furniture & Fixtures	4,479,741	1,812,517	19,500	6,272,758	1,214,479	346,475	-	1,560,954
Motor Vehicles	3,657,001	-	289,266	3,367,735	1,365,046	316,773	106,932	1,574,887
Office Equipments	12,388,368	8,302,479	28,500	20,662,347	1,512,453	765,869	-	2,278,322
Capital Advances/WIP	-	-	-	-	-	-	-	506,143
TOTAL	81,029,500	297,301,519	2,554,338	375,776,681	21,109,138	25,719,741	123,042	46,705,837
Previous Year	41,295,938	40,264,943	531,382	81,029,499	15,264,846	5,976,039	131,747	21,109,138
								59,920,361
								-
								329,576,987
								79,920,362
								10,875,915
								2,291,955
								3,265,262
								197,724,381
								10,693,151
								4,711,804
								2,291,955
								1,792,848
								1,574,887
								1,560,954
								346,475
								1,214,479
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								1,214,479
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								3,367,735
								1,365,046
								316,773
								106,932
								1,574,887
								1,560,954
								346,475
								1,214,479
								6,272,758
								19,500
								1,812,517
								4,479,741
								289,266

	31.03.01 (Rs.)	31.03.00 (Rs.)
6. INVESTMENTS		
(Trade) (Unquoted) (At cost)		
Stock Exchange Memberships		
a. Bombay Stock Exchange	14,050,000	14,050,000
b. National Stock Exchange – WDM Segment	2,500,000	2,500,000
c. National Stock Exchange – CM Segment	500,000	500,000
d. Pune Stock Exchange	2,347,222	2,347,222
e. Over The Counter Exchange of India	2,000,000	2,000,000
	<u>21,397,222</u>	<u>21,397,222</u>
Equity Shares (Refer Note no. 14 of Schedule 13)	33,400,500	25,051,510
	<u>54,797,722</u>	<u>46,448,732</u>
7. CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
i) Interest accrued	3,147,358	2,387,012
ii) Cash and Bank Balances		
a. Cash on hand	81,448	379,982
b. Balances with Scheduled Banks		
In Fixed Deposit Accounts	3,520,001	10,266,000
In Current Accounts	24,497,872	–
In Unpaid Dividend Accounts	549,200	13,422,737
	<u>28,648,521</u>	<u>24,068,719</u>
iii) Debtors		
(Unsecured, considered good)		
a. More than six months	–	–
b. Less than six months	232,245,091	11,676,112
	<u>232,245,091</u>	<u>11,676,112</u>
iv) Stock-in-trade – Government Securities (pledged with banks) (Refer Note nos. 15 of Schedule 13)	422,974,959	352,097,332
Total (A)	<u>687,015,929</u>	<u>390,229,175</u>

Schedules forming
part of the Accounts

B. LOANS AND ADVANCES

(Unsecured, considered good)

i) Advances recoverable in cash or in kind or for value to be received:

Loans & Advances to Staff
Other Loans & Advances

6,336,901	1,834,637
4,165,564	637,140
10,502,465	2,471,777

ii) Deposits

Deposits with Stock Exchange:

National Stock Exchange – WDM Segment
National Stock Exchange – CM Segment/NSCCL
Bombay Stock Exchange
Pune Stock Exchange
Over The Counter Exchange of India
Deposit NSE VSAT

7,500,000	7,500,000
8,387,042	4,154,136
600,000	600,000
400,000	1,897,563
50,000	50,000
91,434	91,434
17,028,476	14,293,133

Other Deposits:

Deposit – premises
Sundry Deposits

3,165,500	2,645,500
1,745,549	2,272,848
21,939,525	19,211,481

iii) Other Current Assets

Other Current Assets
Advance Payment of Income Tax

1,703,787	—
32,779,695	4,886,889
34,483,482	4,886,889
66,925,472	26,570,148
753,941,401	416,799,323

Total (B)

Total (A) + (B)

Schedules forming
part of the Accounts

31.03.01
(Rs.)

31.03.00
(Rs.)

	31.03.01	31.03.00
	(Rs.)	(Rs.)
B. CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	86,379,421	4,491,265
Creditors for Capital Expenditure	26,070,205	6,249,583
Book Overdraft from Bank	19,805,317	3,104,179
Unclaimed Dividend	557,200	-
Other Liabilities	9,878,732	6,511,276
Total (A)	142,690,875	20,356,603
B. PROVISIONS		
Income Tax	66,365,985	39,499,258
Wealth Tax	50,938	30,000
Proposed Dividend	23,961,000	23,961,000
Dividend Tax	7,715,442	5,271,420
Total (B)	98,093,365	68,761,678
Total (A) + (B)	240,784,240	89,118,281
C. MISCELLANEOUS EXPENDITURE		
Schedules forming part of the Accounts		
To the extent not written off or adjusted	-	374,350
Preliminary Expenses	-	374,350
Less: Written off during the year	-	-
Deferred Revenue Expenditure	10,570,805	10,570,805
Less: Written off during the year	3,523,602	-
Brand and Website Promotional Expenses	7,047,203	10,570,805
Less: Written off during the year	196,259,855	-
	98,129,927	-
	98,129,927	-
	105,177,131	10,570,805
D. OTHER INCOME		
Miscellaneous Income	2,635,725	2,006,059
Sundry Balances written back	261,710	1,155,699
Bad Debts Recovery	-	235,913
	2,897,436	3,397,671

11. ADMINISTRATIVE AND GENERAL EXPENSES

Rent, Rates and Taxes	31.03.01	(Rs.)	31.03.00	(Rs.)
Salaries, Wages and Allowances	13,991,310		5,328,076	
Cont. to Employees PF etc.	44,737,639		8,376,551	
Staff Welfare	2,992,832		507,353	
Travelling and Conveyance	2,070,383		568,494	
Communication Cost	14,521,253		6,631,676	
General Administrative Expenses	15,278,150		2,407,860	
Legal and Professional Fees	14,058,722		10,653,784	
Donation	10,780,665		5,002,444	
Sundry Balances and Deposits written off	2,074,002		92,012	
Loss on Sale of Assets	2,264,418		1,294,922	
Stock Exchange Expenses	132,334		144,634	
Repairs & Maintenance – Others	2,673,511		877,949	
Auditors' Remuneration:	6,134,813		1,200,209	
- For Statutory Audit	157,500		105,000	
- For Tax Audit	52,500		52,500	
- Out-of-pocket Expenses Audit	-		1,948	
Portal – Software and Consultancy Expenses	41,288,466		-	
Foreign Exchange Fluctuation Loss	215,227		-	
Investments written off	50,010		-	
Registrar and Share Transfer Expenses	164,544		-	
SEBI Turnover Fees	1,362,446		-	
Recruitment Expenses	5,624,084		3,598,965	
	180,624,809		46,844,377	

12. OTHER NON CASH CHARGES

Deferred Revenue Expenses written off	101,653,529		-	
Preliminary Expenses written off	-		374,350	
	101,653,529		374,350	

Schedules forming
part of the Accounts

13. NOTES FORMING PART OF THE ACCOUNTS AND SIGNIFICANT ACCOUNTING

POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The accounts have been prepared to comply in all material respects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

Revenue Recognition

Income from brokerage activities is recognised on the trade date of the transaction, except for spot transactions, where it is recognised on date of the transaction and accounted for net of sub-brokerage, where applicable.

Profit/Loss on sale of government and other securities (stock-in-trade) and investments is recognised on the date of transaction.

Fixed Assets and Depreciation

Fixed assets are stated at cost. Depreciation is provided under Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956, except for Website and Related Software and Trademarks. Expenses incurred in relation to development of the Website and Related Software of the Company and the facilities to enable conduct of broking activity through the portal, have been capitalised on the respective dates of their launch. These expenses have been classified and capitalised as plant and machinery under the head "Website and Related Software" and are depreciated over a period of three years, being the management's estimate of the useful life of the assets. Trademarks are depreciated over a period of 12 years.

Expenses towards repair of enduring benefit to the interiors of office premises not owned by the Company are apportioned over the primary period of the lease.

Investments and Stock-in-trade

(a) The shares and other securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and shown as Current Assets. Other shares/securities or stock exchange membership rights acquired with the intention of long term holding are considered as Investments.

(b) Investments are shown in the Balance Sheet at cost. Provision for diminution in the value of investments is made, if such diminution is of permanent nature.

(c) Stock-in-trade is valued as follows:

Shares – at the cost of acquisition or market value, whichever is lower;

Securities – at the cost of acquisition and interest accrued thereon till date of acquisition, if any, or market value, whichever is lower.

Sundry Debtors and Creditors

Amounts receivable from and payable to clients for broking transactions are recognised on trade/transaction date basis and disclosed separately as Sundry Debtors and Creditors. Bad debts/Advances are written off in the year in which they become irrecoverable.

Foreign Exchange Transactions

Transactions in foreign currencies are translated to Indian Rupees at the rate of exchange ruling on the date of transaction. Foreign currency liabilities covered by forward exchange contracts are stated at the rate specified in the related forward contracts. The difference between forward rate and exchange rate at the inception of the forward exchange contract is recognised as income or expense over the life of the contract.

Miscellaneous Expenditure

i) Guarantee commission and charges paid to the banks for guarantee given by them to other parties are apportioned over the period of the guarantee.

ii) Deferred Revenue Expenditure

Deferred revenue expenditure incurred by the Company is amortised over a period of

three years, commencing from the year in which such expenditure is incurred.

iii) Brand and Web Promotional Expenses

Expenditure incurred on development of brand and web promotional expenses by the

Company are written off in two years from the year in which such expenditure is incurred.

Retirement Benefits

(a) Gratuity liability is covered under Employees' Group Gratuity Accumulation

Scheme with the Life Insurance Corporation of India and annual premium payable thereon is charged to the Profit and Loss Account.

(b) Contributions to defined contribution schemes such as Provident Fund and Family

Pension Fund are charged to the Profit and Loss Account as incurred. Encashment of accumulated leave by employees is accounted for, as and when paid, as per the practice consistently followed by the Company.

Prior Period and Extraordinary Items

Items of income and expenditure pertaining to the prior period, where material in the opinion of the management, are disclosed separately.

Provision for Taxation

Provision for income tax is made on the assessable income at applicable rates.

Proposed Dividend and Dividend Tax

Proposed dividend is accounted on the recommendation of the Board of Directors, subject to the approval at the ensuing General Meeting. Provision for corporate dividend tax is made as per the provision of law.

Contingent Liabilities

All known liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed by way of the Notes to the Accounts.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR

a. In respect of guarantees from Banks Rs. 2,500,000 (previous year: Rs. 4,000,000).

b. Contingent Liability

- Employee Bonus Liability – Amount unascertainable.
- TDS Surcharge Liability as per new rates – Amount unascertainable.

c. The Company is in the process of computing the SEBI turnover fees for the remaining period and the same shall be paid on finalisation of the computation and debited in the year of payment.

3. FIXED ASSETS AND CAPITAL COMMITMENTS

The website of the Company, 'www.hometrader.com', containing a finance portal, has been made accessible to the public at large on September 2, 2000. The site contains information about the Company and its current and proposed activities, apart from information on the financial markets which is mainly of an advisory nature. On February 28, 2001, the Company commercially launched the portal and threw open to the public (potential investors) the facility to buy and sell securities through the portal (using the medium of the Internet). The said trading facility is made possible by the use of a broking engine (a software) and related hardware equipment.

The costs incurred in connection with development of the portal and the facility to buy and sell securities have been capitalised as fixed assets on September 2, 2000, and February 28, 2001, the respective dates of their launch, in accordance with AS 10 – Accounting for Fixed Assets.

Expenses incurred on the broking engine, other software, content up to the date of the portal launch and other expenses directly related to the portal/facility to trade have been capitalised under the heading of 'Website and Related Software'.

4. Salary, other benefits payable to employees and statutory dues/taxes required to be deducted thereon have been provided by the management on mercantile basis.

5. The Company has changed its policy for accounting of bonus expenses from payment basis to performance basis. Bonus is payable based on assessment of employees'

performance during the 12 months commencing on the 1st of November each year. Since the period of assessment of employees' performance is not computed as at the balance sheet date, no provision is made for the bonus for the period 1-11-2000 to 31-3-2001.

6. The Company has written back service tax amounting to Rs. 30 lacs on completion of the General Audit of Service Tax for the period from July 1994 to March 2000, which has been shown under the head Provision, no longer required for Service Tax.

7. The Company has accounted, being technical matter, certain expenses based on the bifurcation carried out by the management with respect to Portal Content Expenses and Website and Related Software.

8. Pending reconciliation of dividend payment account with the bank, balance is taken as per the books. Any adjustment thereto will be accounted in the year of reconciliation.

9. Estimated amount of capital commitment net of advances is Rs. 1,877,000 (previous year: Rs. Nil)

10. The Current Assets, and Loans and Advances are realisable at the value stated in the Balance Sheet in the ordinary course of the business.

Loans and Advances include an amount of Rs. Nil (maximum outstanding during the year: Rs. 350,000) (previous year: Rs. Nil), outstanding from a Director of the Company.

11. Sundry Debtors

The management reviews, on periodical basis, the outstanding debtors with a view to determining as to whether debtors are good, bad or doubtful, after taking into consideration all the relevant aspects, including the tangible, intangible, primary and collateral security available, financial condition of debtors, the net worth, standing and reputation of the guarantor, if any, past performance/projected future performance of the debtors.

The management determines whether a debtor is doubtful or bad, wholly or in part and,

on the basis of such reviews, the Board of Directors determines the extent of bad debts to be written off in the accounts.

12. Some Debtors, Creditors and Advances are subject to reconciliation and resultant adjustments, if any, are thus taken up as per the books.

13. During the year, the Company has sold 10,850,000 Equity Shares of Rs. 2 each of Ways India Limited, there being no comparative quotation. As on date of transfer, the shares were sold based on the valuation carried out by an Independent Chartered Accountant, on which the auditors have relied.

14. Investments

Investment consists of:

	As on 31.03.01		As on 31.03.00	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
<i>Equity Shares</i>				
<i>(Unquoted, face value of Rs. 10, fully paid up, unless otherwise stated)</i>				
Ways India Limited*	16,650,000	33,300,000	2,500,000	25,000,000
Euro Asia Management Services Limited	10	100	10	100
Euro Asia Capital Management Limited	10	100	10	100
Euro Asia Finance Limited	10	100	10	100
Euro Asia Forex Limited	10	100	10	100
Euro Asia Portfolio Management Limited	10	100	10	100
Janata Sahakari Bank Limited	1000	1,00,000	510	51,010
(Rs. 100 paid up)				
TOTAL		33,400,500		25,051,510

* Sub-divided to face value of Rs. 2 each from Rs. 10 each, from the current year

15. Stock-in-trade (Quoted)

Stock-in-trade consists of:

Particulars (Face Value)	As on 31.03.01	As on 31.03.00
11.50% CG2010 (Rs. 100 lacs)	11,121,250	
11.50% CG2010 (Rs. 200 lacs)	21,846,389	
14.40% PSEB 2005 (Rs. 100 lacs)	10,453,863	
10.70 % CG 2020 (Rs. 200 lacs)	20,721,722	
11.03% CG2012 (Rs. 210 lacs)	22,037,674	
11.03% CG2012 (Rs. 187 lacs)	19,807,684	
11.03% CG 2012 (Rs. 354 lacs)	37,500,439	
11.43% CG2015 (Rs. 213 lacs)	22,400,092	
10.47% CG2015 (Rs. 800 lacs)	80,575,933	
10.47% CG 2015 (Rs. 1500 lacs)	152,500,375	
10.20 % CG2005 (Rs. 100 lacs)	10,434,667	
11.50% CG2015 (Rs. 50 lacs)	5,474,652	
12.30% CG2016 (Rs. 15 lacs)	1,782,938	
14% SDL 2005 (Rs. 54 lacs)	6,317,280	
14% CG 2005 (Rs. 550 lacs)	63,872,111	
11.19% CG 2005 (Rs. 90 lacs)	9,137,385	
11.00% CG 2002 (Rs. 50 lacs)	5,224,556	
11.50% CG 2008 (Rs. 400 lacs)	42,876,111	
9.50% CG 2008 (Rs. 350 lacs)	32,688,444	
10.80% CG 2008 (Rs. 625 lacs)	63,881,250	
12.40% CG 2013 (Rs. 472 lacs)	52,605,449	
12.32% CG 2011 (Rs. 300 lacs)	32,926,400	
11.25% CG 2005 (Rs. 50 lacs)	5,284,375	
12.00% CG 2008 (Rs. 28 lacs)	3,022,973	
10.25% CG 2012 (Rs. 200 lacs)	19,448,778	
12.60% CG 2018 (Rs. 100 lacs)	11,479,500	
0.00% CG 2000 (Rs. 100 lacs)	9,650,000	
TOTAL	422,974,959	352,097,332

16. Sundry debtors include Rs. Nil (previous year Rs. 11,676,112) due from companies in which some Directors are interested (maximum outstanding during the year Rs. Nil, previous year Rs. 460,687,834).

17. Deposits

Of the total deposits with banks of Rs. 3,520,000 (previous year Rs. 10,266,000),

fixed deposits valued up to Rs. 625,000 (previous year Rs. 625,000) are pledged for guarantees given to National Securities Clearing Corporation Limited; Rs. 2,500,000 (previous Year Rs 2,500,000) pledged for guarantees given to The Stock Exchange, Mumbai; Rs. 50,000 (previous year Rs. 50,000) pledged for guarantee given to Pune Stock Exchange; Rs. 345,000 (previous year Rs. 116,000) pledged with custodians pending rectification of bad delivery of shares; and Rs. Nil (previous year Rs. 6,600,000) and Rs. Nil (previous year Rs. 375,000) are pledged with IndustInd Bank for a Letter of Credit facility and guarantee given to Pune Stock Exchange respectively.

18. Quantitative Details*

Additional information pursuant to the provisions of Schedule VI of the Companies Act, 1956:

Traded Goods	Units	Opening Stock		Purchases		Sales		Closing Stock	
		Qty. in lacs	Value Rs. lacs	Qty. in lacs	Value Rs. lacs	Qty. in lacs	Value Rs. lacs	Qty. in lacs	Value Rs. lacs
Shares	Nos.	125	250	150	300	108.5	6510	166.5	360
Previous year		180	1,801	Nil	Nil	155	2,676	25	250

19. Expenditure on Foreign Currency

Travelling Expenses	2,631,176	1999-2000	3,325,669
Books and Periodicals	Nil		145,905
Memberships and Subscriptions	3,531,567		223,788
Others	10,494,842		244,876
Total	16,657,585		3,940,238

20. Managerial Remuneration included in the Profit and Loss Account

	2000-2001	1999-2000
Salaries	2,764,600	498,713
Perquisites	189,900	341,905
Contribution to PF/PPF	297,000	59,845
TOTAL	3,251,500	900,463

* Remuneration to Directors has been paid within the limits prescribed in Schedule

XIII of the Companies Act, 1956.

21. Small-scale Industries

The Company has no outstandings to small-scale industrial undertakings for an amount more than Rs. 100,000, as on the Balance Sheet date.

22. Dividend paid to NRI shareholders: Rs. 10,944,250

23. Previous year figures have been regrouped, reclassified and rearranged, wherever necessary.

For M/S. PARIMAL R. SHAH & CO

Chartered Accountants

PARIMAL R. SHAH

Proprietor

For and on behalf of the Board

SANJAY AGARWAL

Director

N. S. TRIVEDI

Executive Director & Secretary

VIJAYKUMAR H. MODI

Director

Place : Mumbai

Date : June 30, 2001

Statement
of Cash Flow for
the year ended
March 31, 2001

	31.3.01 (Rs.)	31.3.00 (Rs.)
(A) Cash Flow from Operating Activities		
Net Profit before Tax	315,623,185	71,321,632
Adjustment for Depreciation	25,719,741	5,976,039
Interest debited to Profit & Loss Account	48,635,926	20,812,666
Interest credited to Profit & Loss Account	(1,338,268)	(17,864,976)
Sundry Balances/Deferred Revenue Exp. written off	102,292,956	1,669,271
Gains on Sale of Investments	(629,300,000)	(112,625,223)
Loss on Sale of Fixed Assets	132,334	144,633
	<u>(453,857,311)</u>	<u>(101,887,590)</u>
Operating Profit before Working Capital Changes	(138,234,126)	(30,565,958)
Adjustment for Trade and Other Receivables	(31,019,863)	116,008,789
Inventories	(70,877,627)	(283,656,763)
Trade Payable and Other Liabilities	151,377,360	(88,606,363)
	<u>(49,479,870)</u>	<u>(256,254,337)</u>
Cash Generated from Operations	(88,754,256)	(286,820,295)
Deferred Revenue Expenditure Paid	(196,259,855)	(30,945,154)
Direct Taxes Paid	(2,582,447)	(5,574,319)
	<u>(198,842,302)</u>	<u>(36,519,473)</u>
Net Cash Flow from Operating Activities - A	(287,596,558)	(323,339,768)
(B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	(303,946,218)	(40,264,943)
Sale of Fixed Assets	2,298,962	255,002
Purchase of Investments	(30,099,000)	-
Sale of Investments	420,000,000	267,625,523
Interest received	577,924	15,477,965
Intercompany Deposits taken	11,656,308	-
Repayment of Intercompany Deposits	-	(24,461,200)
	<u>100,487,976</u>	<u>218,632,347</u>
Net Cash Flow from Investing Activities - B		

(C) Cash Flow from Financing Activities	31.3.01 (Rs.)	31.3.00 (Rs.)
Proceeds/(Repayment) from Secured Loan	263,683,701	130,251,701
Interest Paid	(48,591,515)	(20,069,723)
Dividend Paid	(23,403,800)	(18,606,313)
Net Cash Flow from Financing Activities – C	191,688,386	91,575,665
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	4,579,804	(13,131,756)
Add : Cash and Cash Equivalents at the beginning of the year	24,068,717	37,200,473
Cash and Cash Equivalents at the end of the year	28,648,521	24,068,717

Statement
of Cash Flow for
the year ended
March 31, 2001

As per our attached report of even date
For PARIMAL R. SHAH & CO.
Chartered Accountants
PARIMAL R. SHAH
Proprietor
Place : Mumbai
Date : June 30, 2001

For and on behalf of the Board
SANJAY AGARWAL
Chairman
N. S. TRIVEDI
Executive Director & Secretary
VIJAYKUMAR H. MODI
Director

Auditors' Certificate

We have verified the attached Cash Flow Statement of Home Trade Limited derived from the audited financial statements, and the books and records maintained by the Company for the year ended 31st March, 2001, and found the same in agreement therewith.

Place : Mumbai
Date: June 30, 2001

For PARIMAL R. SHAH & CO.
Chartered Accountants
PARIMAL R. SHAH
Proprietor

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No. : 25-14018
 Balance Sheet Date : March 31, 2001

State Code : 25

II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue : NIL
 Bonus Issue : NIL
 Rights Issue : NIL
 Private Placement : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities	1,002,709	Total Assets	1,002,709
SOURCES OF FUNDS			
Paid-up Capital	239,610	APPLICATION OF FUNDS	
Reserves and Surplus	304,448	Net Fixed Assets	329,577
Secured Loans	413,496	Investments	54,798
Unsecured Loans	45,155	Net Current Assets	513,157
		Miscellaneous Expenditure	105,177
		Accumulated Losses	—

IV. PERFORMANCE OF THE COMPANY (AMOUNT RS. IN THOUSANDS)

Total Income	672,257	Total Expenditure	356,634
Profit before Tax	315,623	Profit after Tax	289,153
Earning per Share (Rs. 2 per share paid up)	2.41	Dividend Rate %	10%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Not applicable
Product Description	Stock Broking

Statement Pursuant
 to Part IV of
 Schedule VI to the
 Companies Act, 1956

As per our attached report of even date
 For PARIMAL R. SHAH & CO.
Chartered Accountants
 PARIMAL R. SHAH
Proprietor
 Place : Mumbai
 Date : June 30, 2001

For and on behalf of the Board
 SANJAY AGARWAL
Chairman
 N. S. TRIVEDI
Executive Director & Secretary
 VIJAYKUMAR H. MODI
Director

Notice

NOTICE is hereby given that the **EIGHTH ANNUAL GENERAL MEETING of HOME TRADE LIMITED** will be held on Saturday, 29th September, 2001, at 10.00 am at the Registered Office of the Company at 124A, Sohrab Hall, 21, Sasoon Road, Pune 411 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001, the Profit and Loss Account for the year ended 31st March, 2001, the Report of the Directors and the Report of the Auditors.

2. To declare a Dividend on Equity Shares.

3. To appoint a Director in place of Mr. Manoj (Mike) A. Shah, who retires by rotation but, being eligible, offers himself for reappointment.

4. To appoint a Director in place of Mr. Alan James McMillan, who retires by rotation but, being eligible, offers himself for reappointment.

5. To appoint M/s. J. S. Vanzara & Associates, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

“Resolved that Mr. Salil D. Gandhi, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member, proposing the candidature of Mr. Salil D. Gandhi, for the office of Director, be and is

hereby appointed as a Director of the Company who shall be liable to retire by rotation.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

“Resolved that Mr. Shashank Ranade, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member, proposing the candidature of Mr. Shashank Ranade, for the office of Director, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

“Resolved that Mr. Vijaykumar H. Modi, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member, proposing the candidature of Mr. Vijaykumar H. Modi, for the office of Director, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation.”

NOTES

1. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under item no. 6, 7 and 8 set out above is annexed hereto.
2. 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 OF THE COMPANY.
3. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

4. The Register of Members and Share Transfer books will remain closed from Thursday, 27th September, 2001, to Saturday, 29th September, 2001 (inclusive of both days).
5. The dividend as recommended by the Board, if approved at the meeting, will be paid on or after 4th October, 2001, to those members whose names appears on the Register of Members on 29th September, 2001. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the same.
6. Members are requested to notify immediately about their change of address:
 - (i) To their Depository Participant (DPs), if the shares are held in electronic form;
 - (ii) To the Company's Registrar & Transfer Agent, i.e. M/s. R & D Consultants Limited, 610, Dalamanal Tower, 211, Nariman Point, Mumbai 400 021, or to the Company's Registered Office, if the shares are held in physical form.
7. Members who have not furnished their bank details, may inform the Company's Registrar & Transfer Agent, i.e. M/s. R & D Consultants Limited, 610, Dalamanal Tower, 211, Nariman Point, Mumbai 400 021, about the said details, for issue of dividend warrants to their respective accounts.
8. Members seeking any information/clarification on the annual accounts of the Company are requested to send in written queries directly to the Executive Director & Company Secretary at least a week before the date of the meeting. Replies, to the extent possible for the same, will be provided only at the meeting.
9. Members and proxy holders should bring the attendance slips sent herewith, duly filled in for attending the meeting, along with their copies of the Annual Report of the Company.
10. At the ensuing Annual General Meeting, Mr. Manoj (Mike) Shah and Mr. Allan James McMillan, retire by rotation and, being eligible, offer themselves for reappointment. As

required under Clause 49 of the Listing Agreement, details of the said Directors are mentioned hereunder:

- (a) Mr. Mike Shah: Mr. Mike Shah has been associated with Home Trade Limited for the past 2 years, in the position of an Advisor and Non-Executive Director for the last 14 months. He brings with him the benefit of his experience of over 30 years in the information technology industry in India. Currently, Mr. Mike Shah is the President and CEO of Regent Associates India Ltd., the Indian operations of Regent Associates, one of Europe's largest Merger & Acquisition (M&A) specialists in Internet and information technology businesses. Through Regent Associates' worldwide network, Mr. Mike Shah has been active in the venture capital arena and M&A businesses as an angel investor.
- Prior to this, Mr. Mike Shah worked with the Digital Equipment Corporation, USA (presently taken over by Compaq), for about 24 years, of which the last 6 years (1988 to 1994) he held the position of being the first Managing Director of the company's Indian operations. During his tenure, the company evolved to become a US \$40 million operation with 900 employees.
- His Directorship in other companies includes: (i) Regent Associates India Private Limited; (ii) Parametric Technology Corporation R&D India Private Limited; (iii) RELQ Software Limited; (iv) Ways India Limited; (v) Guru Infotech India Private Limited; (vi) Indian Institute of Hardware Technology Limited; (vii) Jethru Technologies Private Limited.
- He has not been appointed on any Board Committee of other companies.
- (b) Mr. Allan James McMillan: Mr. Allan McMillan is the Co-founder and CEO of Planet-Intra.Com, the world's first Instant Intranet Portal. He has 15 years' experience in the information technology business around the world. Planet-Intra is his fourth start-up, with his previous three ventures being outstanding successes. He brings to

Home Trade an international perspective, his proven track record of business building, with several years' experience in setting up and running technology businesses, and his knowledge of the Asia Pacific technology market. His last start-up was sold to China.com, a new portal company that recently went for an IPO. Mr. Allan McMillan has been helping Home Trade forge strategic alliances with channel partners and technology suppliers.

His Directorship in other companies includes: (i) Planet-Intra International Limited; (ii) Mont Pacific Limited; (iii) Internet Marketing Services.

He has not been appointed on any Board Committee of other companies.

For and on behalf of the Board

Place : Mumbai

N. S. Trivedi

Date : August 14, 2001

Executive Director & Secretary

REGISTERED OFFICE: 124A, Sohrab Hall, 21, Sasoon Road, Pune 411 001.

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act 1956

Item Nos. 6, 7, and 8

Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi were appointed as Additional Directors of the Company pursuant to Section 260 of the Companies Act, 1956.

In terms of the applicable provision of the Companies Act, 1956, and Article 116 of the Articles of Association of the Company, their terms of office as Additional Directors expire at the ensuing Annual General Meeting. The Company has received notices alongwith the prescribed deposits from members of the Company proposing the candidature of Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi for the office of Director.

Accordingly, the Directors recommend these resolutions for the approval of the members. Mr. Salil D. Gandhi, Mr. Shashank Ranade and Mr. Vijaykumar H. Modi are interested in the resolution pertaining to their appointment and no other Director is interested in the resolution.

For and on behalf of the Board

Place : Mumbai

N. S. Trivedi

Date : August 14, 2001

Executive Director & Secretary

REGISTERED OFFICE: 124A, Sohrab Hall, 21, Sasoon Road, Pune 411 001.

विकास प्रो. ११/१०/०१

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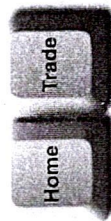
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