

ASML

Advanced Synergic Microsystems Limited
ANNUAL REPORT 1999-2000



'e-Business Solutions for the Enterprise'

A thick, solid black horizontal bar is positioned below the 'e-Business Solutions for the Enterprise' text, spanning most of the width of the page.

Board of Directors

Dr. S. Srikantan	Chairman
Dr. R.P. Shenoy	Director
Mrs. Kanthi Nagaraj	Nominee Director of IDBI
Mr. M. Ravindra Vikram	Director
Mr. Rabindra Srikantan	Managing Director

Management Council

Mr. Rabindra Srikantan	Managing Director
Mr. Dorai Palani	General Manager
Mr. Sundar Ramanathan	Assistant Director
Mr. N. Krishnan	Deputy General Manager
Mr. Shalabh Singh	Manager - Business Development
Mr. Abhishek Dhir	Senior Executive - Business Development

Audit Committee

Mr. M. Ravindra Vikram	Director
Dr. R.P. Shenoy	Director

Compensation Committee

Dr. R.P. Shenoy	Director
Mr. M. Ravindra Vikram	Director
Mr. Rabindra Srikantan	Managing Director

Company Secretary

Ms. P.N. Lakshmi

Auditors

M/S Sudhakar Pai Associates
Chartered Accountants
C-4, Unity Buildings
J.C. Road
Bangalore - 560002, India

Auditors of Subsidiaries

Haribhakti & Co.
Chartered Accountants
42, Free Press House
215, Nariman Point
Mumbai - 400 021, India

N. Rajan Associates
10, Jalan Besar
10-12, Sim Lim Tower
Singapore - 208787

Registered Office

80/2, Lusanne Court
Richmond Road
Bangalore - 560025, India

Legal Advisors

Mr. M.R. Gopinath
Mr. R. Jagirdhar

Legal Advisor (US)

Michael A. Cotteleer & Associates
207, N. Washington
Wheaton, Illinois 60187, USA

Bankers

(w.e.f. 14-08-2000)
State Bank of India
Industrial Finance Branch
Residency Road
Bangalore - 560 025, India

Stock Exchanges

(Where the shares of the company are listed)

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai - 400 001, India

Bangalore Stock Exchange Limited

51, Stock Exchange Towers
1st Cross, J.C. Road
Bangalore - 560 027, India

Investor Relation Cell

Secretarial Department
80/2, Lusanne Court
Richmond Road
Bangalore - 560 025, India

Registrars & Share Transfer Agents

Karvy Consultants Limited
51/2, TKN Complex, Vanivilas Road
Opp. National College, Basavanagudi
Bangalore - 560 004, India

CORPORATE MISSION

To understand and empower client organisations by providing end-to-end Integrated Business Solutions in the Digital Economy.

To commit ourselves to the highest degree of excellence and customer support with a view to providing superior value to clients

Advanced Synergic Microsystems Limited

80/2, Lusanne Court, Richmond Road, Bangalore - 560 025

Fellow Shareholders,

Today, **ASML Group** has moved towards greater profits and reduced its earlier loans. Its revenue for the First Quarter ended June 30, 2000 is Rs. 565.94 lacs which is 44% of the previous year's Consolidated Revenue of Rs. 12.58 crore (net of intercompany billing). The same growth trend is expected in the Second Quarter and in subsequent Quarters.

ASML Group has made a profit of Rs. 42 lacs in the First Quarter ended June 30, 2000 as compared to Rs. 17 lacs in June 30, 1999. The major contributing factor being our successes in the overseas market. The domestic sales have increased to Rs. 80 lacs as compared to Rs. 36 lacs in the last financial year. During the First Quarter the company has added 6 new clients in the US to the existing client base.

Plotting our financial graph, we are sure that by the end of the current fiscal year, **ASML Group** will register a growth surpassing industry standards.

A D V A N C E D S Y N E R G I C G R O U P

(Rs in Lacs)

Unaudited financial results for quarter ended 30th June, 2000		Quarter Ended	
Particulars		30.06.2000	30.06.1999
Revenue			
International		486.24	213.33
a. USA		453.69	152.86
b. Asia Pacific		32.55	60.47
Domestic		79.70	35.83
Total Revenue		565.94	249.16
Expenditure			
a. Staff Cost		281.32	67.39
b. Other Expenditure		172.55	107.54
Total Expenditure		453.87	174.93
Interest		34.43	43.77
Depreciation		36.03	13.65
Profit after Interest & Depreciation but before taxation		41.61	16.81
Provision for tax		0.00	0.00
Net Profit / - Loss		41.61	16.81

* The group turnover of ASML & its wholly owned subsidiaries in USA & Singapore (net of intercompany sales) amounted to Rs. 565.94 lacs during the quarter ended 30.6.2000 as against Rs.249.16 lacs in the quarter ended 30.6.1999

ADVANCED SYNERGIC MICROSYSTEMS LIMITED

(Rs in Lacs)

Unaudited financial results (provisional) for the quarter ended 30th June, 2000		Quarter Ended		Year Ended
Particulars		30.6.00 (Unaudited)	30.6.99 (Unaudited)	31.3.00 (Audited)
Net Sales / Income		321.91	226.37	1005.65
Other Income		5.59	0.68	15.03
Total Expenditure		254.81	166.12	992.55
a. Staff Cost		200.74	129.79	747.69
b. Other Expenditure		54.07	36.33	244.86
c. Provision for bad & doubtful debts		-	-	112.19
Interest		28.69	41.15	193.35
Depreciation		30.61	10.53	168.21
Provision for tax		0.00	0.00	0.00
Net Profit / - Loss		13.39	9.25	- 445.62
Paid up equity share capital		500.00	399.08	500.00
Reserves excluding revaluation reserves		-	-	116.88
Earnings per share (Rs) (Not annualised)		0.27	0.23	- 8.91

Place : Bangalore
Date : 31.07.2000

for Advanced Synergic Microsystems Ltd.
Managing Director

We thank you for the trust reposed in us and your continued support.

With best regards,

Place : Bangalore
Date : 17 August, 2000

Rabindra Srikantan
Managing Director

From the Desk of the Managing Director

Fellow Shareholders,

Today, the Business Community is in the midst of an IT-revolution with the acceptance of e-business as the basis for their future enterprise functioning. We at **ASML** are one of the forerunners in this revolution.

For this, we had crystallised a focused business plan which underlines our objective to be the best source of **"e-Business Solutions for the Enterprise"**. To attain this goal, ASML has strengthened its offerings in preparation of the Digital Economy.

Having initiated and executed a range of end-to-end application projects in the e-commerce and Internet Technologies, ASML has developed competency in conceptualising, developing and delivering projects in the leading edge areas viz., Digital Marketplaces and Digital Exchanges (B2B), Enterprise Knowledge Portals (EKP), Web Integration, e-commerce Solutions, Enterprise Applications and System Software.

With the latest successful completion of a 'Enterprise Knowledge Portal (EKP)' for one of India's largest companies, ASML has again demonstrated its strength in the Enterprise Application and Internet Technologies arena.

As a part of the expansion plans, ASML has strengthened its presence in the US and Singapore market by deploying additional Senior Business Managers to aggressively develop the market and handle the growing customer base in these regions. Working under the philosophy of 'being closer to the customer', we have opened a new office in the Bay Area in US. Similar initiatives have been taken in the European market to start an office in United Kingdom. ASML envisages to augment another 150 software engineers to meet the burgeoning market demand in these areas for the current year.

ASML will take all measures to maintain its growth progression through its journey in this Internet era. I also take this opportunity to thank Industrial Development Bank of India, State Bank of India, Karnataka State Financial Corporation and Software Technology Parks of India. On behalf of the Board of Directors and the Management, I would like to especially express my sincere gratitude for your interest, support and confidence reposed in us.

With regards,

Rabindra Srikantan
Managing Director

Our Core Businesses

Advanced Synergic Microsystems Limited (ASML) is a provider of end-to-end solutions. ASML, synergises its business consulting skills with its core competency of technology to provide software solutions for an Enterprise in the New Economy. Our clients are based worldwide and work in diversified fields of business.

Our Offerings

- Digital Marketplaces and Digital Exchanges (B2B)
- Enterprise Knowledge Portals (EKP)
- Web Integration
- e-commerce Solutions
- Enterprise Applications
- System Software

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Our Pride - Our Board of Directors

Dr. S. SRIKANTAN

Dr. S. SRIKANTAN holds a Ph.D. in Electrical Engineering from Moore School, University of Pennsylvania, USA. He is a recipient of "Vikram Sarabhai Research Award" for his outstanding work in the field of Electronics and Telecommunications. Dr. Srikantan is one of the founders of Computer Industry in India. As Managing Director of Karnataka State Electronics Development Corporation (KEONICS), he was instrumental in initiating the Software / IT / Telecom industries in the state and also in the successful development of an Industrial Park for electronic industries (Electronics City) near the city of Bangalore.

Dr. R. P. SHENOY

Dr. R. P. SHENOY is a "Distinguished Scientist" and a recipient of "Padma Sri Award" (Presidential Award) from the Government of India, holds a Ph.D. in Electrical Engineering from University of Wisconsin, Madison, USA. Dr. R. P. Shenoy is a fellow of National Academy of Engineers and a Distinguished Fellow of the Institution of Electronics & Telecommunication Engineers. He is known for his contributions to the development and growth of radar technology in India. Dr. Shenoy has also been associated with the Indian Institute of Science, Bangalore as a distinguished scientist".

Our Pride - Our Board of Directors

Mr. M. R. VIKRAM

Mr. M. R. VIKRAM, leading Chartered Accountant and Financial Services consultant, partner in M Anandam & Co, in Secunderabad. M Anandam & Co are one of the auditors of Reserve Bank of India and many private and public sector companies. He is also the Director of Indian Bank, Indus Telecom Ltd. and Normak Fashions (P) Ltd.

Mrs. KANTHI NAGARAJ

Mrs. KANTHI NAGARAJ is the nominee director on the board of the company representing the Industrial Development Bank of India.

Mr. RABINDRA SRIKANTAN

Mr. RABINDRA SRIKANTAN holds MS degrees in Computer Engineering and in Computer Science from the University of Louisiana, USA. He has professional experience in a wide range of software systems in the areas of Engineering, Manufacturing, Enterprise Application and Internet technologies.

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Our Assets - Our Consultants

Our vision is to help our clients achieve their goals through the power of Information Technology. This is a 'road less travelled', which requires grit, determination and above all the desire to WIN that makes all the difference.

At ASML we are proud of every one of our employees. Their dedication and commitment has helped us to achieve our goals of being the chosen provider of end-to-end solutions for the enterprise. Advanced Synergic invests in its employees, supports them with training facilities and enables them to work independently, so that they can grow as individuals and build their careers.

Notice

Notice is hereby given that the Eighth Annual General Meeting of the Company will be held at 9:30 a.m. on Friday, the 29th September 2000 at Pai Vijay Hall, 33rd Cross, 11th Main, 4th Block, Jayanagar, Bangalore – 560011, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at 31.03.2000, the Profit and Loss Account for the year ended 31.03.2000 and the Cash Flow Statement for the year ended 31.03.2000 together with the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Dr. R.P. Shenoy, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint auditors and fix their remuneration. M/s Sudhakar Pai Associates the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint, such person or persons qualified for appointment as Auditor or Auditors of the Company's Branch Office in Chicago, USA., to examine and audit the accounts for the financial year 2000-2001 on such remuneration, terms and conditions as the Board may deem fit."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act 1956, the Articles of Association of the Company be and they are hereby altered as under:

- a) Articles 2 of the Articles of Association shall include the following interpretations at appropriate places.

"Beneficial Owner" means a persons whose name is recorded as such with a Depository;

"Bye-laws" means by-laws made by a Depository under Section 26 of the Depositories Act;

"Depositories Act" means the Depository Act , 1996 and includes any statutory modification or re-enactment thereof for the time being in force;

"Depository" means a Company formed and registered under the Act and which has been granted a Certificate of registration to act as a Depository by SEBI;

"Member" means the fully registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and a Beneficial owner;

"Records" include the records maintained in the form of books or stored in a computer or such other form as may be determined by regulations made by the SEBI Board

"SEBI" means the Securities and Exchange Board of India.

"Security" means such security as may be specified by the SEBI from time to time.

- b) After Article 6 the following new Articles shall be inserted as Article 6a, 6b, 6c, 6d respectively with the following marginal notes:

DEMATERIALISATION OF SECURITIES

6a "Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its securities, rematerialise its securities held in depositories and/or to offer its fresh securities in the dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any"

OPTION FOR INVESTORS

6b Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities. If a person opts to hold his securities with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM:

6c All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners. No certificate shall be issued for the securities held by the depository.

DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY:

6d Nothing contained in the Act or the Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

c) After Article 96 the following new Article shall be inserted as Article 96(a) with the following marginal notes.

VOTING RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNER:

96(a) Notwithstanding anything contained in Article 96 of the Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of a beneficial owner.

Save as otherwise provided herein above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it; and

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the liabilities in respect of such of his securities, which are held by a Depository.

d) After Article 18, the following new Article shall be inserted as Article 18(a) with the following marginal note:

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ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY:

18(a) Notwithstanding anything contained in the Act or the Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

e) After Article 161(1) the following new Article shall be inserted as Article 161(4) with the following marginal note:

REGISTER AND INDEX OF BENEFICIAL OWNERS:

161(4) The Register and Index of beneficial owners maintained by a depository under the Depositories Act shall be deemed to be the register and Index of Members and Security holders for purposes of these Articles,

f) After Article 54(c), the following new Article shall be inserted as Article 54(d) with the following marginal notes:

TRANSFER OF SECURITIES:

54(d) Nothing contained in Section 108 of the Act or Articles shall apply to a transfer of securities effected by a transferror and transferee both of whom are entered as beneficial owners in the records of a depository.

g) After Article 197(2) the following new Article shall be inserted as Article 197(3):

SERVICE OF DOCUMENTS:

197(3) Notwithstanding anything contained in the Act or Articles to the contrary, where securities are held in a depository the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

h) Article 55 shall commence with the following words:

"In absence of a nomination recorded in accordance with Section 109A of the Act, which shall in any event have precedence....."

i) The following Article 55 (a) shall be inserted after the existing Article 55 with the following marginal notes:

RIGHT OF NOMINATION:

55(a)(1) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.

(2) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together, nominate a person to whom all the rights in the shares or debentures as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholder or debenture holder or, as the case be on the death of the joint holders, become entitled to all the rights in such shares or debentures, or as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.