



***ANNUAL REPORT 1998 - 99***



**Advanced Synergic Microsystems Limited**

#### Board of Directors

|                        |                                 |
|------------------------|---------------------------------|
| Dr. S. Srikantan       | <i>Chairman</i>                 |
| Dr. R.P. Shenoy        | <i>Director</i>                 |
| Smt. K. Nagaraj        | <i>Nominee Director of IDBI</i> |
| Mr. M. Ravindra Vikram | <i>Director</i>                 |
| Mr. S. Rabindra        | <i>Managing Director</i>        |
| Mr. K. Sundar          | <i>Director</i>                 |

#### Auditors

M/s. Sudhakar Pai Associates  
Chartered Accountants  
Bangalore - 560 002

#### Bankers

State Bank of India  
Bangalore City Branch  
J.C. Road  
Bangalore - 560 002

#### Registered Office

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

#### Stock Exchanges (Where the shares of the Company are listed)

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

The Stock Exchange  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

#### Registrars & Share Transfer Agents :

Karvy Consultants Limited  
51/2, TKN Compalex, Vanivilas Road  
Opp. National Collage, Basavanagudi  
Bangalore - 560 004.

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## Advanced Synergic Microsystems Limited

### CORPORATE MISSION

To understand and empower client organizations through world-class consulting services in the area of Enterprise Solutions, in the context of turnkey development and commercial off the shelf packages.

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

### Notice

Notice is hereby given that the Seventh Annual General Meeting of the Company will be held at 10.00 a.m on Tuesday the 28th September 1999 at Paivijay Hall, 33rd Cross, 11th Main, 4th Block Jayanagar, Bangalore - 560 011 to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Balance Sheet as at 31.03.1999, the Profit and Loss Account for the year ended 31.03.1999 and the Cash Flow Statement for the year ended 31.03.1999 together with the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Dr. S. Srikantan, 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 to re-appointment.

#### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:
  - (a) **"RESOLVED THAT** pursuant to the provisions of Section 94(1)(a) of the Companies Act and other applicable provisions if any, the Authorised Share Capital of the Company be and is hereby increased from Rs. 4,00,00,000 (Rupees Four Crores) divided into 40,00,000 (Forty lakhs) Equity Shares of Rs. 10/- each (Rupees ten) to Rs. 7,00,00,000 (Rupees Seven Crores) divided into 70,00,000 (Seventy lakhs) Equity Shares of Rs. 10/- (Rupees ten) each."
  - (b) **"RESOLVED THAT** the existing Clause V of the Memorandum of Association of the Company be deleted and substituted as under:  
**CLAUSE V :** The Authorised Share Capital of the Company is Rs. 7,00,00,000 (Rupees Seven Crores) divided into 70,00,000 (Seventy lakhs) Equity shares of Rs. 10/- (Rupees ten) each."
  - (c) **"RESOLVED THAT** pursuant to the provisions of Section 31(1) of the Companies Act 1956 the existing Clause No. 5 of the Articles of Association of the Company be deleted and substituted as under:  
**CLAUSE NO.5 :** The Authorised Share Capital of the Company is Rs. 7,00,00,000 (Rupees Seven Crores) divided into 70,00,000 (Seventy lakhs) Equity shares of Rs. 10/- (Rupees ten) each."

#### REGD. OFFICE

80/2, Lusanne Court,  
Richmond Road,  
Bangalore 560 025  
Date: 13th August 1999.

By Order of the Board

**RABINDRA SRIKANTAN**  
Managing Director

#### NOTES

1. The relative explanatory statement Pursuant to section 173 (2) of the Companies Act, 1956 in respect of the business under item No. 4 set out above is annexed hereto & forms part of the notice.
2. A member entitled to attend and vote at a meeting is entitled to appoint a proxy and such proxy need not be a member of the Company. Proxies to be valid should be deposited forty eight hours before the Meeting at the Registered Office of the Company.
3. Members are requested to notify immediately any change in their address to the Company/Karvy Consultants Limited, Share Transfer agents at T.K.N Complex, No.51/2, Vanivilas Road, Opp.National College, Basavanagudi, Bangalore - 560004.
4. The Registrar of Members and Share Transfer Books of the Company will remain closed from 27.9.1999 to 28.9.1999 (both days inclusive)
5. For the convenience of the members, attendance slip is annexed to the proxy form. Members are

## Advanced Synergic Microsystems Limited

requested to fill-in and affix their signature at the space provided and hand over the attendance slip at the entrance place of the meeting. Proxy representative of a member should mark on the attendance slip as "PROXY" or "REPRESENTATIVE" as the case may be.

6. Members desiring any information on the accounts at the AGM are requested to write to the Company at least ten days in advance so as to enable the company to keep the information ready.
7. As a measure of economy copies of the Annual Reports will not be distributed at the AGM. Members are requested to kindly bring copies of the Annual Report to the Meeting.
8. Shareholders who have not encashed the dividend warrants for the year 1994-1995 are requested to get in touch with the Company as dividends remaining unclaimed for seven years are required to be transferred to the Investor Education and Protection Fund being established by the Central Government. Shareholders may be aware that unlike the erstwhile provisions of Section 205A of the Companies Act 1956, where a claim could be made with the registrar of the companies after transfer of the unclaimed dividend to the account of the Central Government, no claims to such dividend amounts will be entertained after the transfer of the unclaimed dividend to the above fund, pursuant to the new Section 205A of the Companies Act, 1956 promulgated under the Companies (Amendment) Act, 1999. Accordingly unclaimed dividends in respect of the year 1994-1995 will be transferred to the Central Government during the year 2001-2002.
9. As per the provisions of the amended Companies Act, 1956 facility for making nominations is now available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registrars and Transfer Agents.

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

Item No. 4

The Authorised Capital of the Company is Rs. 4,00,00,000 divided into 40,00,000 shares of Rs. 10/- each. With the promoters equity being brought in vide approval obtained at the last AGM the paid up capital of the company is in level with the Authorised capital of Rs. 4,00,00,000. Taking into consideration the envisaged growth in business operations which may call for additional funds the Board of Directors proposed to increase the Authorised Share Capital of the Company to Rs. 7,00,00,000 (Rupees Seven Crores) subject to the approval of the shareholders, Memorandum & Articles of Association and other statutory and appropriate authorities. As the increase in share Capital involves alteration of Clause V of the Articles of Association, approval of the shareholders is to be obtained by a special resolution vide Section 31 of the Companies Act 1956.

None of the Directors of the Company are in any way directly or indirectly interested nor concerned in this resolution

Your Directors recommend the resolution for approval.

## Advanced Synergic Microsystems Limited

### Directors' Report

Your Directors have pleasure in presenting their Seventh Annual Report with Audited Accounts for the year ended 31st March 1999.

#### FINANCIAL RESULTS

|                        | (Rs. in Lacs) |         |
|------------------------|---------------|---------|
|                        | 1998-99       | 1997-98 |
| Gross Revenue          | 528.89        | 675.35  |
| Profit before Interest |               |         |
| Depreciation & Tax     | 215.87        | 181.94  |
| Interest               | 157.13        | 149.76  |
| Depreciation           | 41.94         | 31.23   |
| Profit before Tax      | 16.80         | 0.95    |
| Provision for Tax      | 1.39          | 0.10    |
| Net Profit             | 15.41         | 0.85    |

During the year the company registered a net profit of Rs.15.41 lacs compared to Rs.0.85 lacs of the previous year. On the domestic front there has been a marginal decline in sales of about 5% and decline in export revenue by 30% due to the shift into newer markets.

#### DIVIDEND

Your Directors do not recommend dividend for the year 1998-99 in order to conserve resources.

#### SUBSIDIARY

**Singapore Subsidiary** - achieved a gross revenue of Rs.291.89 lacs for the year showing an increase of 84.27% over the previous year. The net profit after tax was at Rs. 3.10 lacs as compared to the net loss of Rs.1.41 lacs of the previous year.

**US Subsidiary** - during the year your company has taken over an existing profit making company namely Pinnacle Talent Inc, USA establishing a wholly owned subsidiary of ASML with a capital investment of USD 9160.00. In the first year of operation the US subsidiary contributed gross revenue of Rs. 275.74 lacs and a net profit of Rs.5.34 lacs.

#### FUTURE OUTLOOK

The dawn of the next millenium presents exciting opportunities for your company. The world today is on the verge of another revolution with the acceptance of **E-Business** as the basis for future enterprise functioning. Your company plans to spearhead this revolution and has already chartered a road map to take advantage of this opportunity.

The thrust in the coming years would therefore be in the area of providing **E-Business and Internet Technology Solutions** for our clients. With our expertise in enterprise solutions, your company aims in providing "boutique" system integrator support for companies moving from Enterprise solutions to **Enterprise Information Portals** (EIP). To further strengthen our resources, we have entered into **strategic alliances** with major global players in this field.

Your company will continue to offer other services like :

**ERP**-Configuration, Implementation, Customization, Documentation and End user Training across Commercial-off-the-shelf packages like SAP, Baan, CINCOM and CODA Financials.

#### ON-SITE & OFF-SHORE IMPLEMENTATION SERVICES.

We believe that with our increasing presence in the US and Singapore markets, and our venture into the E-Business market, ASML, is poised for greater growth in the next millenium.

## Advanced Synergic Microsystems Limited

### DIRECTORS

Dr. Srikantan S, Director retires by rotation and is eligible for re-appointment.

### PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules, 1975, is given as an annexure, forming part of this report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION.

The company's operations involve low energy consumption. However the efforts to conserve and optimize the use of energy through improved operational method and other means will continue

The Company has not imported any technology during the year.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the Foreign Exchange earned was Rs.322.46 lacs and Foreign Exchange used was Rs.55.45 lacs.

### FIXED DEPOSITS

The Company has not accepted any deposits from the public.

### Y2K COMPLIANCE

To manage the Y2K problem effectively, your company is working to a well designed plan to ensure the Y2K compliance well before the critical date arrives. In view of the adequate steps taken by the Company well in time, no problems are foreseen which can disrupt the smooth functioning of the Company's regular operations.

### REPLY TO THE QUALIFICATIONS IN THE AUDITORS REPORT

The company has taken an interest free loan from a director to meet the operational expenses in the interest of the company and it will be repaid once the cash flow position improves.

The company is making contribution to the Employees Provident Fund and Employees State Insurance Corporation. However due to temporary cash flow mismatch the same could not be remitted in time.

The company has spent substantial money for overseas business development in the newer area and the benefit of such expenditure will result in another 2-3 years. The same will be expensed out in three equal installment over the next three years.

### AUDITORS

M/s. Sudhakar Pai Associates, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting. They have confirmed their eligibility and willingness to accept office if re-appointed.

### ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation of the dedication and commitment of the company employees at all levels and also for maintaining cordial relations with the management. The Directors also acknowledge the continued co-operation and support extended by the Industrial Development Bank of India, State Bank of India, Karnataka State Financial Corporation, Central Government, Reserve Bank of India, Software Technology Park, State Government, vendors, customers, business associates and shareholders of the Company.

For and on behalf of the Board

Bangalore  
13th August 1999.

**Dr. Srikantan S**  
Chairman

## Advanced Synergic Microsystems Limited

### Annexure to the Directors' Report

Statement of particulars of Employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

| Name                  | Designation          | Age (yrs) | Qualification                              | Remuneration | Date of Joining | Previous employment             |
|-----------------------|----------------------|-----------|--------------------------------------------|--------------|-----------------|---------------------------------|
| Dr. M.V.S Peri Sastry | Vice President & COO | 54        | Ph.D. in Computer Application & Techniques | 5,37,600     | 04.01.95        | CMC Ltd.                        |
| Dr. K. Guru Prasad    | DGM Simulation       | 41        | Ph.D in Mechanical Engineering             | 1,21,900     | 24.02.97        | Satyam Computers Limited        |
| K. R. Kumar           | DGM                  | 34        | M. Tech                                    | 1,72,503     | 24.08.95        | Aeronautical Development Agency |

### Consolidated Financials of ASML Group

Unaudited consolidated Balance Sheet as at 31st March 1999

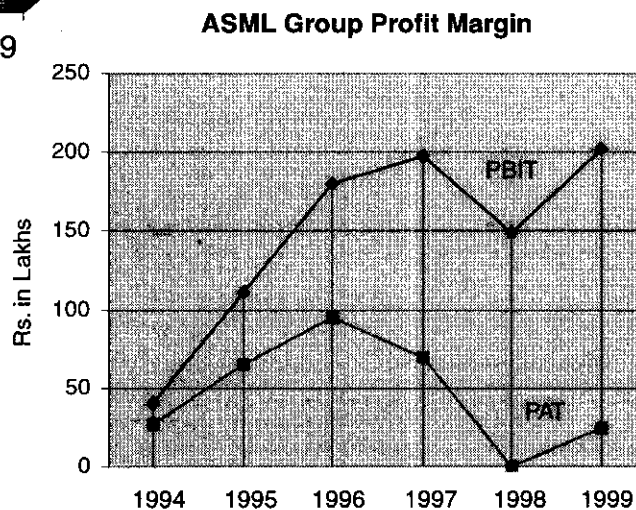
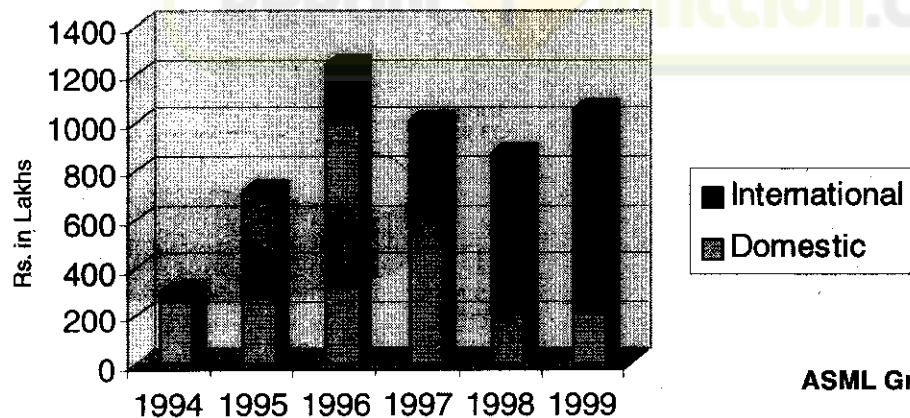
|                                                                          | 98-99          | (Rs. In lacs)<br>97-98 |
|--------------------------------------------------------------------------|----------------|------------------------|
| <b>SOURCE OF FUNDS</b>                                                   |                |                        |
| 1. SHAREHOLDERS' FUND                                                    |                |                        |
| a) Share capital                                                         | 328.25         | 323.76                 |
| b) Reserves & surplus                                                    | 221.33         | 198.19                 |
| c) Debenture redemption reserve                                          | 17.08          | 14.00                  |
| d) Share application money                                               | 100.00         | 0.00                   |
| 2. LOAN FUNDS                                                            |                |                        |
| a) Secured loan                                                          | 888.45         | 774.83                 |
| b) Unsecured loan                                                        | 22.50          | 0.00                   |
| <b>TOTAL</b>                                                             | <b>1577.61</b> | <b>1310.78</b>         |
| <b>APPLICATION OF FUNDS</b>                                              |                |                        |
| 1. FIXED ASSETS (NET BLOCK)                                              | 931.76         | 624.52                 |
| 2. INVESTMENTS                                                           | 28.69          | 27.46                  |
| 3. CURRENT ASSETS, LOANS, ADVANCES & DEPOSITS                            |                |                        |
| a) Inventories                                                           | 90.13          | 141.98                 |
| b) Sundry debtors                                                        | 581.19         | 438.13                 |
| c) Cash & bank balances                                                  | 44.32          | 68.84                  |
| d) Loans & advances                                                      | 58.43          | 142.38                 |
| e) Deposits                                                              | 11.41          | 14.49                  |
|                                                                          | 785.48         | 805.82                 |
| Less: Current liabilities & provisions                                   |                |                        |
| Liabilities & provisions                                                 | 230.17         | 148.04                 |
| Net current assets                                                       | 555.31         | 657.78                 |
| 4. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | 0.98           | 1.02                   |
| Deferred revenue expenditure                                             | 60.87          | 0.00                   |
| <b>TOTAL</b>                                                             | <b>1577.61</b> | <b>1310.78</b>         |

## Advanced Synergic Microsystems Limited

### Annexure to the Directors' Report

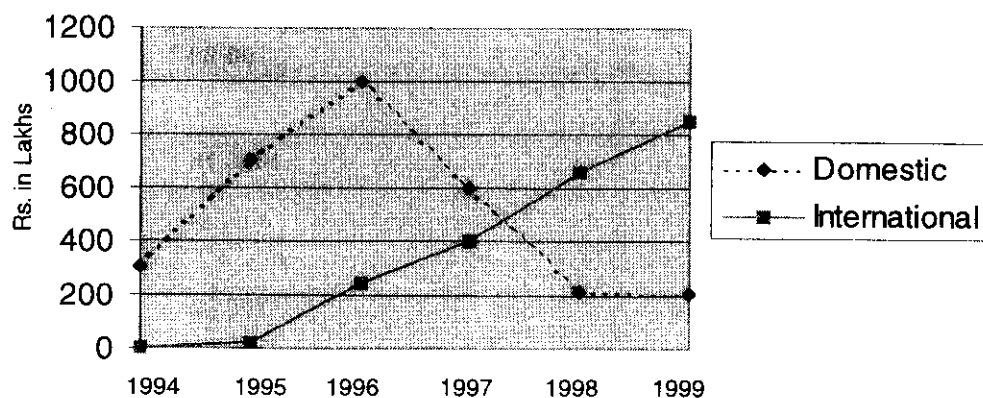
Unaudited Consolidated Profit & Loss Account for the year ended 31st March 1999

|                              | 98-99          | (Rs. In lacs)<br>97-98 |
|------------------------------|----------------|------------------------|
| <b>INCOME</b>                |                |                        |
| Income                       | 1056.16        | 874.17                 |
| <b>EXPENDITURE</b>           |                |                        |
| Expenses                     | 798.82         | 686.36                 |
| Interest & Financial charges | 175.23         | 150.00                 |
| Depreciation                 | 54.91          | 38.23                  |
|                              | <b>1028.96</b> | <b>874.59</b>          |
| Profit before tax            | 27.20          | (0.42)                 |
| Provision for tax            | 3.35           | 0.10                   |
| Profit after tax             | 23.85          | (0.52)                 |



## Advanced Synergic Microsystems Limited

DOMESTIC VS INTERNATIONAL REVENUES



GEOGRAPHICAL CONTRIBUTION TO REVENUES

