

11TH ANNUAL REPORT 1997 - 1998

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	NA		DPY	NA
RO	<input checked="" type="checkbox"/>		DEV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	TD	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



AFTEK BUSINESS MACHINES LIMITED

Aftek Infosys Ltd.

CONTENTS

Particulars	Page No.
BOARD OF DIRECTORS	1
CORPORATE BELIEF	2
MANAGEMENT STRUCTURE	3
NOTICE	4
DIRECTORS' REPORT	8
AUDITORS' REPORTS	10
BALANCE SHEET	12
PROFIT AND LOSS ACCOUNT	13
SCHEDULES	14
BALANCE SHEET ABSTRACT	21
CASH FLOW STATEMENT	22

ANNUAL REPORT 1997-'98**BOARD OF DIRECTORS**

RANJIT DHURU	CHAIRMAN & MANAGING DIRECTOR
NITIN K. SHUKLA	WHOLE-TIME DIRECTOR
SANDIP C. SAVE	WHOLE-TIME DIRECTOR
RAVINDRANATH U. MALEKAR	WHOLE-TIME DIRECTOR
ASHUTOSH V. HUMNABADKAR	WHOLE-TIME DIRECTOR
PROMOD V. BROOTA	WHOLE-TIME DIRECTOR
MUKUL S. DALAL	WHOLE-TIME DIRECTOR
KIRAN P. KULKARNI	WHOLE-TIME DIRECTOR
CHARUHAS V. KHOPKAR	WHOLE-TIME DIRECTOR

REGISTERED OFFICE

364, Veer Savarkar Marg, Dadar, Mumbai - 400 028.
 WEB-SITE : URL://www.aftek.com

SOFTWARE DEVELOPMENT CENTRE

Pune Small-Scale Industries Co-op. Estate Ltd.,
 1st Floor, Veer Savarkar Nagar,
 Lahane Road, Gultekdi, Pune - 411 037.

WORKS

Plot No. A/19/2,
 M.I.D.C. Chincholi, Solapur.

BANKERS

The Ratnakar Bank Ltd.,
 Dr. Bhalerao Marg, Anna Balvant Bldg.,
 (Kelewadi), Girgaum, Mumbai - 400 004.

The IDBI Bank Ltd.,
 IDBI House, Dnyaneshwar Paduka Chowk,
 Fergusson College Road, Shivaji Nagar, Pune - 411 004.

AUDITORS

V. D. Joshi & Co.
 Chartered Accountants,
 2, Jai Ashirwad, Y R Tawde Road,
 Dahisar (West), Mumbai - 400 068.

REGISTRARS & TRANSFER AGENTS

Bigshare Services Pvt. Ltd.,
 J/12, Ansa Industrial Estate, Sakivihar Road,
 Andheri (East), Mumbai - 400 072.

CORPORATE BELIEF

VISION

To make **AFTEK** a **GLOBAL FORCE** in the field of
INFORMATION TECHNOLOGY.

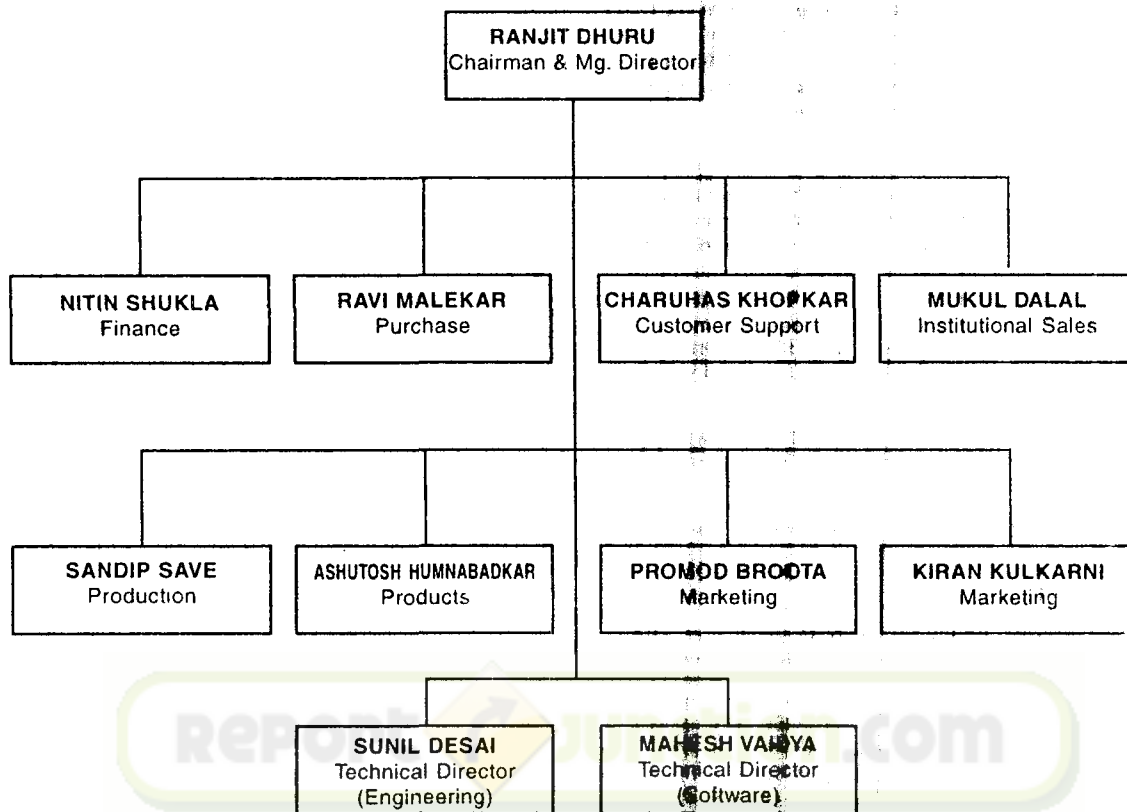
MISSION

To make **AFfordable** information **TEK**nology
available to our clients through **Continuous**
Innovations and **Total Quality Management.**

VALUES

We measure our success by customer satisfaction.
We satisfy our customer with extraordinary team work.
Our people approach their work with passion and creativity.

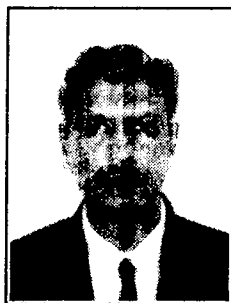
MANAGEMENT STRUCTURE



Ranjit Dhuru



Nitin Shukla



A. Humnabadkar



Mahesh Vaidya



Sunil Desai

AFTEK BUSINESS MACHINES LIMITED**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the Members of Aftek Business Machines Limited will be held at 10.30 a.m. on Wednesday, the 30th December 1998 at The Queenie Captain Auditorium, The NAB-Workshop For The Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai - 400 025 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 30th June 1998 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare a Dividend
3. To appoint a Director in place of Mr. Ranjit Dhuru who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. C V Khopkar who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Registrar of Companies, Maharashtra, the name of the Company be and is hereby changed from 'Aftek Business Machines Limited' to 'Aftek Infosys Limited'.

RESOLVED FURTHER THAT the name 'Aftek Business Machines Limited' wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name 'Aftek Infosys Limited'

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

"RESOLVED THAT pursuant to Section 94 and all other applicable provisions, if any, of the Companies Act, 1956 the present Authorised Share Capital of the Company of Rs 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each, be and is hereby increased to Rs 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each, by creation of 10,00,000/- (Ten Lakhs) Equity Shares of Rs 10/- each and that Clause V of the Memorandum of Association of the Company be altered accordingly.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 words 'The Authorised Share Capital of the Company is Rs 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each' appearing in Article 4 of the Articles of Association of the Company be substituted by the following :

"The Authorised Share Capital of the Company is Rs 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each".

9. To consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 as also the provisions of any other applicable law or laws (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Securities and Exchange Board of India (SEBI), Reserve Bank of India and all other concerned authorities and departments, if and to the extent necessary and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") which term shall be deemed to include any duly authorised Committee thereof for the time being exercising the powers conferred on the Board by this Resolution, the consent of the Company be and is hereby accorded to the Board to issue and allot, in accordance with applicable guidelines/regulations, as may be permissible in law, now or at any time hereafter, shares and / or Bonds and / or convertible debentures whether fully or partly convertible into shares and/or non-convertible debentures all or any of the aforesaid with or without detachable / non-detachable warrants and/or warrants of any nature, and / or any other Financial Instruments such as Secured Premium Notes, Floating Rate Notes/Bonds etc. (hereinafter referred to as "Securities") as the Board at its sole discretion may at any time or times hereafter decide, which Securities when issued or allotted would ultimately result in an increase in the paid-up equity share capital of the Company by an amount not exceeding Rs.1.50 crores excluding premium, to Promoters, Directors, their friends, associates and relatives, associate/group companies, Members, Employees, Non-Resident Indians, Overseas Corporate Bodies, International Institutions, Foreign Institutional Investors, Companies, Mutual Funds, Banks, Investment/Financial Companies, other entities/authorities and to such other persons, whether Members of the Company or not, whether through Private Placement/Preferential Allotment, Conversion of loans or Otherwise and/or any combination of the above modes/methods or otherwise, at such time and in one or more branches, with or without voting rights in General Meetings/ Class Meetings of the Company as may be permitted under the then prevailing laws, and on such terms and conditions, at such price or prices as may be computed and decided by the Board in accordance with applicable guidelines / regulations, if any, and in such manner as the Board may in its sole discretion think fit

RESOLVED FURTHER THAT the consent of the Company be and is hereby also granted in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board, if so required, to create mortgage and/ or charge, in addition to the mortgages, charges, if any, created / to be created by the Company in such form and manner

ANNUAL REPORT 1997-'98

and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Agents and Trustee/Trustees for securing such of the securities, as are issued as secured Securities, together with interest, remuneration of the Agents and Trustee/Trustees, premium (if any) on redemption, all other costs, charges and expenses payable by the Company in terms of the Trust Deed to be finalised and executed between the Company and the Agents and Trustee/Trustees and containing such specific terms, conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Agents and Trustee/Trustees;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the issue and allotment of the Securities and/or equity shares on conversion and to finalise and execute the deeds, documents and writings for creating, mortgages/charges, if any, as it may deem fit and proper."

10. To consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution.

"RESOLVED THAT Pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below:

A) BUY BACK OF SHARES

Insert the following Article as Article 9A after Article 9:

9A. "Notwithstanding anything contained in these Articles, in the event it is permitted by law for a Company to purchase its own shares or other securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law."

B) DEMATERIALISATION OF SHARES

(a) Article 3 of the Articles of Association shall include the following definitions at the appropriate places:-

Beneficial Owner: "Beneficial Owner" shall mean Beneficial Owner as defined under clause (e) of Section 2 of the Depositories Act, 1996.

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

Depositories Act, 1996: "Depositories Act, 1996" shall include any statutory modification or re-enactment thereof for the time being in force.

Securities and Exchange Board of India: "Securities & Exchange Board of India" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

(b) In Article 3, clause A be added as follows:

3A "Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meanings respectively assigned to them in that Act."

(c) In Article 3 of the Articles of Association of the Company, definition of "Member" shall be altered as follows: "Member" means the subscribers of the Memorandum of the Company and the duly registered holder from time to time of the Shares of the Company and includes the beneficial owner in the records of the Depository.

(d) In Article 5 of the Articles of Association, the following shall be added at the end:

"Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form."

(e) Article 14 of the Articles of Association shall be substituted as follows:

Register and Index of Members and debenture holders

14. "The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act, and Index of Debentureholders in accordance with Section 152 of the Act and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India a branch Register of members/debentureholders resident in that State or country."

(f) To insert the following Article to be numbered as Article 14A after Article 14:

Power of the Company to dematerialise and rematerialise:

14A. "The Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its shares, debentures and other securities held in the Depositories and/or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any."

AFTEK BUSINESS MACHINES LIMITED



(g) Article 15 of the Articles of Association shall be substituted as follows:

Shares to be numbered progressively and no share to be sub-divided: 15. "The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no shares shall be sub-divided. Every forfeited or surrendered shares shall continue to bear the number by which the same was originally distinguished".

(h) In Article 23, after the words "the amount paid thereon," the following words be added:

"Provided, however, no share certificate(s) shall be issued for shares held by a Depository."

(i) Article 26 of the Articles of Association shall be substituted as follows:

Company not bound to recognise any interest in share other than that of registered holder: 26. "Except as ordered by a Court of competent jurisdiction or as required by law, the company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them."

(j) To insert the following Article to be numbered as Article 26A after Article 26:

Specific beneficial provisions of the Companies Act, 1956 not to apply to Depository: 26A. "The provisions of Sections 153, 153A, 153B, 187C and 372 of Act the shall not apply to the shares, debentures and securities held by a Depository on behalf of the owners as defined in the Depositories Act, 1996."

(k) To insert the following Article to be numbered as Article 62A after Article 62:

Shares held in electronic and fungible form: 62A. "In the case of transfer of shares, debentures or other marketable securities, where the Company has not issued any certificate and where such shares or debentures or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply."

(l) In Article 52, after the words "shares and registration thereof", the following be added:

"except in case of transfer of securities effected by the transferor and the transferee both of whom are entered as Beneficial Owner in the records of the Depository."

(m) In Article 163 of the Articles of Association, the following proviso be added:

"Provided that where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depositories on the Company by means of electronic mode or by delivery of Depository floppies or discs."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.

2. The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, the 24th December 1998 to Wednesday, the 30th December 1998 (both days inclusive).

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

By Order of the Board of Directors

RANJIT DHURU
CHAIRMAN & MG. DIRECTOR

Dated : 1ST DECEMBER 1998
Regd. Office :
364, Veer Savarkar Marg,
Dadar, Mumbai 400 028