



atcom technologies limited

Report  junction.com

11th Annual Report 2000

BOARD OF DIRECTORS

Shri Vikram A. Doshi
Chairman & Managing Director

Shri Vineet A. Doshi
Whole-time Director

Shri J. S. Pal
Nominee Director

Shri Y. K. Bhushan
Director

Shri Manish C. Patel
Director

Shri Suresh Talwar
Alternate Director to Manish C. Patel

Company Secretary
Mr. Atul P. Falgunia

BANKERS

Allahbad Bank
Dena Bank
Punjab National Bank
State Bank of India
United Western Bank
UTI Bank Ltd.

AUDITORS

Haribhakti & Co.
Chartered Accountants

SOLICITORS & ADVOCATES

M/s Crawford Bayley & Company
M/s Hariani & Co.

REGISTERED OFFICE

6A, Lalwani Industrial Estate,
14, G D Ambekar Road, Wadala,
Mumbai - 400 031.

WORKS

- Daman Industrial Estate,
Airport Road, S. No. 74/13,
Village Kadaiya,
Daman - 396 210
- Daman Industrial Estate,
Air Port Road, S. No. 101 / 3,
Village Kadaiya,
Nani Daman - 396 210
- 17/A, Somnath Industrial Estate,
Dabhel, Daman - 396 210
- 311/312, Wadala Udyog Bhavan,
Naigaon Cross Road, Wadala
Mumbai - 400031.

For further information, log on to
www.atcomworld.com

Report



Junction

MISSION

To be the #1 technology solutions company in our domain and achieve world class standards and recognition.

VISION 2005

- * *Establish solution development centers at three international and five local locations.*
- * *Create call centers spread all across the country, totalling 1000 stations.*
- * *Create a 2nd generation data center to dispense our own and outsourced ASP solutions to masses.*
- * *Be recognized as a top class Distribution chain solution provider in the world.*
- * *Create employee ownership thru stock options at all levels in the organization.*
- * *Create atleast 50 millionaires in US Dollar terms and the rest in Rupee terms by 2005 thru our employee stock ownership scheme.*
- * *Focus, expand and get entrenched in the area of our domains and be recognized as a world class solutions provider.*
- * *Serve the community by creating and moulding professionals not entrepreneurs and start an atcom school of entrepreneurs by 2005.*
- * *Create an organization which builds creative, result oriented and successful managers all across business functions.*

OUR CORE VALUES

- * *Work towards maximizing shareholders wealth.*
- * *Create outstanding solutions and customer base.*
- * *Respect and care for customers and employees .*
- * *Partner in progress with all.*
- * *Respect individual contribution but value team work higher.*
- * *Create an organization based on learning, innovation and quality.*
- * *Enable employees to realize their full potential and reward wealth creation.*
- * *Commit ourselves to building world class entrepreneur managers.*
- * *Build an institution out of the organization, by institutionalizing culture and systems.*
- * *Focus on result and not on activities.*

Chairman's Letter to Investors

atcom technologies limited is a story that started in 1989. It has been my great honor and privilege to share this story with you from time to time. We have been presenting the Audited Accounts since 1989 and have always shared the performance data for the past year, through our balance sheet. The conventional P & L Accounts and Balance Sheet statements only provide the "bare bones" information about the company's performance. We want to enhance the quality of information available to you about operations and our performance. From now onwards, you will be able to access the atcom technologies web site. This web site will give you on real time basis, detailed information on our financial performance, marketing information relating to product development, product launch and details of prestigious orders received, as well as data relating to our organogram and members of our senior management team. Please visit our website at www.atcomworld.com

Over the last decade, we have evolved and matured as an organisation and are now poised to raise the quality of our performance to a superior level. We have clearly set out our business philosophy, as we now set out to achieve our stated vision and mission objectives. We are on the threshold of an exciting journey, which should take the atcom technologies stake holders with pride, into the new millennium.

Building a world class organization has always been my dream. Over the last decade, I have strived hard to fulfill this dream. I have not been alone in this journey. Many of our senior colleagues, including my brothers have whole heartedly supported me towards the achievement of these goals. Today your company has reached a size where the individual vision needs to be shared and owned by all our employees in the company. Only then we will achieve our ambitious goals. While thanking all of them on behalf of you, for their continuous dedication and commitment, during this AGM, I intend to make many of them true owners / partners in our company. I am proposing an additional ESOP scheme for all those who will be with us on this journey towards achieving our Vision 2005.

We have commenced the process of converting our philosophy, dreams and vision into action. I also realize that our vision and mission statements must be translated into easily understandable goals for each business division and function in the company. We are working towards formulating these sectional goals. I am releasing our company's Vision 2005 this year, along with this balance sheet for your perusal.

We shall adhere to superior benchmarks in terms of corporate governance and also fulfill our societal obligations to the communities we serve. At the same time, we shall intensely pursue the goal of maximising of shareholders wealth. Your company is working towards the achievement of these objectives with devotion and diligence. In today's fiercely competitive world retaining investors is as important as retaining customers. We at atcom technologies are acutely aware of this dimension. Towards achieving this key objective your company has decided to hold regular major investor and analyst meets on regular basis. The purpose is to keep them better informed about the progress of our company.

At the end, let me thank you for your support and co-operation.

I wish you all a very happy and prosperous year ahead.

Yours sincerely,

Vikram Doshi

Chairman & Managing Director

NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Company will be held on Saturday the 30th September, 2000 at 3.30 P. M. at Matunga Gujarati Club Limited, N.M. Parekh Marg, Near Arora Cinema, Matunga (Central Railway), Mumbai - 400 019 to transact the following business :

- 1 To consider and adopt the audited Balance Sheet as at 31st March 2000 and Profit and Loss Account for the year ended as on that date and the reports of Directors and Auditors thereon.
- 2 To declare dividend on Preference Shares.
- 3 To appoint director in place of Shri Vineet A. Doshi who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- 5 To consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:
"RESOLVED THAT Mr. Manish C. Patel who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company and that the period of office of the Director shall be liable to determination by retirement by rotation."

"RESOLVED THAT Mr. Y. K. Bhushan who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company and that the period of office of the Director shall be liable to determination by retirement by rotation."

6 APPROVAL FOR ISSUE OF SHARES

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) and the enabling provisions in the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with Stock Exchanges where the Shares of the Company are listed and subject to approval of the Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned Authorities, Institutions or Bodies, if any, and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions, and modifications as may be prescribed or imposed by any of them in 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 committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution, the Board be and is hereby authorised on behalf of the Company with power to delegate such authority to such person or persons as the Board may deem fit to issue/offer Equity Shares and/or Convertible Debentures (fully or partly) and/or Non-Convertible Debentures and/or Preference Shares (Cumulative or Non-Cumulative, Redeemable or Non-Redeemable) and/or Convertible Preference Shares and/or Global Depository Receipt (CDRs) and/or Convertible Bonds (fully or partly) with or without detachable warrants and/or warrants of any nature and/or secured premium notes and/or floating rate notes/bonds and/or any other financial instrument (hereinafter for brevity's sake 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 at such price or price (including premium) would result in an increase in the Paid up Share Capital of the Company upto a maximum of 75 Lakhs (Seventy Five Lakhs) Equity Shares of Rs. 10/- each in the case of issue of Equity Shares and upto maximum of authorised capital in case of issue of Preference Shares, subscribed in Indian and/or Foreign currency(ies) to the Members, Employees, Non-Resident Indians, Overseas Corporate Bodies, Foreign Institutional Investors (FIIs), Companies, Mutual Funds, Banks, Indian Financial Institutions, other entity(ies) and to such other persons by way of Public Issue, Right Issue, Private Placement or Preferential allotment, exchange of securities, conversion of loans or otherwise in the course of offerings in Indian and/or International Market or by any one or more combination of the above methods, whether to Shareholders of the Company or not, and at such time in one or more tranches as the Board may think fit and on such terms and conditions including number of securities to be issued, face value, premium, rate of interest / dividend, redemption / conversion period, manner of the

redemption / conversion, amount of premium on redemption / conversion, the number of Equity Shares to be allotted on conversion / redemption / extinguishment of debts / preference shares as the case may be, exercise of rights attached with warrants, the ratio of exchange of shares and/or warrants, any other financial instruments, period of conversion, fixing of record date or book closure and related or incidental matters as the Board or its committee may in its absolute discretion think fit and decide in consultation with the appropriate authorities, the Merchant Bankers and/or Lead Managers and/or Underwriters and/or Advisors and/or such other persons and otherwise but without requiring any further approval or consent from the shareholders and also subject to the applicable guidelines for the time being in force."

"RESOLVED FURTHER that the Equity Shares or instruments convertible into Equity Shares, if issued by way of Preferential Allotment, the same will be issued at a price not less than Rs. 210.13 per share being the Minimum price as worked out as per SEBI Guideline 2000, for preferential allotment.

RESOLVED FURTHER THAT the Company and/or an agency or body authorised by the Company may issue Depository Receipt(s) or Certificate(s) representing the underlying securities issued by the Company in register or bearer form with such features and attributes as are prevalent in Indian and/or International Capital Market for the instruments of this nature and to provide for the tradability or free transferability thereof, as per the Indian / International practices and regulations, and under the norms and practices prevalent in the Indian / International markets."

"RESOLVED FURTHER THAT pursuant to the approval of the members of the Company, the new Equity Shares, issued if any, shall be subject to the Memorandum and Articles of Association of the Company and shall rank in all respect (including voting rights) pari passu with the existing Equity Shares except that the new Equity Shares will be entitled to dividend only in proportion to the amount of capital paid up thereon and for the period during which such capital was with the Company."

"RESOLVED FURTHER THAT such of these Equity Shares / Convertible Debentures / Non-Convertible Debentures / Preference Shares / Convertible Preference Shares as are not subscribed, may be disposed off by the Board in its absolute discretion in such manner and on such terms as it may deem fit including offering or placing them with Banks / Financial Institutions / Investment Institutions / Mutual Funds / Overseas Corporate Bodies / Non-Resident Indians, Employees and Business Associates of the Company or otherwise as Board may in its absolute discretion, consider proper and most beneficial to the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised in terms of section 293(1)(a) of the Companies Act, 1956, subject to requisite approvals, if any, as may be required from any of the concerned Authorities to secure, if required, the entire or any part of the issue of securities by creation of any mortgage(s) and/or charge(s) as may be required on all or any of the Company's immovable and movable properties, present and future, as the Board may determine in consultation with the Trustees, such charge to rank pari passu, second, subsequent, subservient and subordinate to all the mortgage(s) and/or charge(s) created / to be created by the Company for all existing and future borrowings and facilities whatsoever."

"RESOLVED FURTHER THAT for the purposes of giving effect to the above resolution the Board or the Committee thereof be and is hereby authorised on behalf of the Company to agree and to make and accept such condition(s), modification(s) and alteration(s) stipulated by any of the relevant authorities while according approvals consents or permissions to the issue as may be considered necessary proper and expedient and to prescribe Form of Application, to issue Letter of Offer, Prospectus, to appoint Advisor(s), Consultant(s), Manager(s), Registrar(s) to the Issue and other Agencies as may be deemed expedient, for the purpose of Proposed Public / Right Issue and pay, if it so think fit, Underwriting commission, and / or Brokerage as may be lawful and reasonable and to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the Offer, Issue and Allotment of the Equity Shares / Convertible Debentures / Non-Convertible Debentures / Preference Shares / Convertible Preference Shares and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection with such Offer / Issue / Placement / Allotment."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to decide other terms and conditions of the Issue including the amount to be paid on application, allotment and calls (if any) to be made, and to add, vary, modify, alter any or all of the conditions of the Issue of the Shares / Securities to be created, offered and issued including the aggregate nominal value thereof, alter their face value and their entitlement thereto, in the best interest of the Company and to include in the said Prospectus or such other Document(s) of Offer for subscription as may be issued by the Company, such other terms and conditions of offer as are necessary or expedient in the discretion of the Board and/or may have to be incorporated on account of any modification(s) or amendment(s) required by any concerned Authority(ies)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things 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 Offer, Issue,

Allotment and Utilisation of issue proceeds towards general corporate purposes including capital expenditure, working capital requirements, strategic investments or for any other restructuring as it may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Director or Executive Director or any Director or Officer or Officers of the Company to give effect to the aforesaid resolution."

7 APPROVAL TO INVEST IN THE CAPITAL OF SUBSIDIARY IN USA .

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

1. "RESOLVED THAT pursuant to provisions of Section 372(A) of the Companies Act, 1956 and all other applicable provisions of the Companies Act 1956 and any other amendment thereto and subject to other consent, approval, permission and dispensation of any other Authority to the extent applicable, consent of the company be and is hereby given to the Board of Directors to invest a sum not exceeding US\$ 20,00,000 at the prevalent exchange rate and in any case not exceeding Rs. 10 crores (Rupees Ten Crores only) in the Equity Shares of proposed company in U.S.A., ATCOM USA INC.

Notwithstanding that the making of such loans and investments and giving of such guarantees and securities or undertaking by the Directors may exceed 60% of aggregate of paid up capital and free reserves or 100% of the free reserves of the Company whichever is more provided however that the procedures prescribed by Section 372(A) of the Companies Act 1956 shall at all times be complied with by the company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to determine the actual sum to be invested in the proposed subsidiary ATCOM USA INC upto the limit as aforesaid and to determine the time and manner of such investment and to do all or any of the matters arising out of and incidental to the said investment."

8 ALTERATION OF ARTICLES

To Consider and if thought fit, to pass with or without modification(s), 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 altered in the following manner :-

The following new Articles 66A and 66B be inserted after the present Article 66 :

66A . Nomination of shares and / or debentures

- i. Every holder of shares in or debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death.
- ii. Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the jointholders.
- iii. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the shares or debentures where a nomination made in the manner prescribed under the Act purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall on the death of the shareholders or the debenture holder concerned, or on the death of the jointholders, become entitled to all the rights in relation to such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- iv. Where the nominee is a minor, the holder of the shares or debentures intending to make the nomination in favour of such minor shall appoint in the manner prescribed under the Act, any person to become entitled to the shares or debentures in the event of his death till such time as the minor attains majority.

66B. Transmission in case of nomination

- i. Any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided may elect either to register himself as the holder of the shares or debentures; or to make such transfer of the shares or debentures as the deceased shareholder or debenture holder could have made.
- ii. If the person being a nominee, so entitled, elects to be registered as the holder of the shares or debentures himself, he shall deliver or send to the Company a notice in writing duly signed by him stating that he so elects, and such notice shall be accompanied by the death certificate of the deceased shareholder / debenture holder.
- iii. A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends / interest and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his shares or as a holder of the debentures, be entitled to exercise any rights conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give notice requiring any such person to elect either to register himself or to transfer the shares or debentures, and if such notice is not complied with within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable in respect of the shares or debentures until the requirements of the notice have been complied with.

9 KEEPING OF REGISTER OF MEMBERS AT A PLACE OTHER THAN THE REGISTERED OFFICE

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution "RESOLVED THAT pursuant to Section 163 of the Companies Act 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register and Index of Members together with the copies of all returns and copies of certificates and documents required to be annexed thereto be kept at the office of the Company's Share Transfer Agents M/s BigShare Services Private Limited, J/12, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072. instead of being kept at the Registered Office of the Company.

10 APPOINTMENT OF MR. SHARAD A. DOSHI AS V.P-Legal & Secretarial

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution "RESOLVED THAT subject to the approval of Central Government pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time, the Company hereby accords its consent to Shri Sharad A Doshi, who is a relative of Directors of the Company and who holds office as Vice President - Legal & Secretarial, to hold and continue to hold office as Vice President - Legal & Secretarial, on a total monthly remuneration exceeding Rs. 20,000 or such other permissible total monthly remuneration that may be prescribed in this behalf from time to time, with usual allowances, bonus, other benefits, amenities and facilities which shall be over and above the said monthly remuneration, with effect from August 1, 2000

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sanction at its discretion, such increments or promote Shri Sharad A Doshi from time to time provided the terms are approved by the Central Government pursuant to the provisions of Section 314 (1B) and other applicable provisions of the Act."

11 APPROVAL TO INVEST IN THE CAPITAL OF SMART SENSORS AND TRANSDUCERS LTD.

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution "RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions of the Companies Act, 1956 and any other amendments thereto and subject to the prior approval of Financial Institutions wherever required, consent of the Company be and is hereby given to the Board of Directors :

a. To acquire, by way of subscription, purchase or otherwise the shares/securities of Smart Sensors and Transducers Ltd. upto a total limit of Rs. 6,00,00,000/- (Rupees Six crores only).

b. To give effect to above acquisition make any loan to any person/s, institution/s, trust/s, or any body / bodies corporate upto a total limit of Rs. 6,00,00,000/- (Rupees Six crores only) on such terms and conditions as they may deem fit and in the interest of the Company;

c. To give effect to above acquisition give any guarantee, provide security, Letters of Comfort or undertaking, in connection with a loan or other financial assistance made by any other person to, or to any other person by, Smart Sensors and Transducers Ltd. upto a total limit of Rs. 6,00,00,000/- (Rupees Six crores only) on such terms and conditions as they may deem fit and in the interest of the Company.

NOT WITHSTANDING THAT the making of such loans and investments and giving of such guarantees and securities or undertaking by the Directors may exceed 60% of aggregate of paid up share capital and free reserves or 100% of the free reserves of the Company whichever is more provided however that the procedures prescribed by Section 372A of the Companies Act, 1956 shall at all times be complied with by the Company.

RESOLVED FURTHER THAT the common seal of the Company be affixed to the stamped engrossments to give effect to above acquisition / purchase together with such modifications and changes as may be accepted on behalf of the Company in presence of one of the Directors of the Company."

12. APPROVAL TO INVEST IN THE CAPITAL OF C2M TECHNOLOGIES LTD.

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution "RESOLVED THAT pursuant to the provisions of Section 372A and all other applicable provisions of the Companies Act, 1956 and any other amendments thereto and subject to the prior approval of Financial Institutions wherever required, consent of the Company be and is hereby given to the Board of Directors :

a. To acquire, by way of subscription, purchase or otherwise the shares/securities of C2M Technologies Ltd. upto a total limit of Rs. 6,00,00,000/- (Rupees Six crores only).

b. To give effect to above acquisition make any loan to any person/s, institution/s, trust/s, or any body / bodies corporate upto a total limit of Rs. 6,00,00,000/- (Rupees Six crores only) on such terms and conditions as they may deem fit and in the interest of the Company;

c. To give effect to above acquisition give any guarantee, provide security, Letters of Comfort or undertaking, in connection with a loan or other financial assistance made by any other person to, or to any other person by, C2M Technologies Limited upto a total limit of Rs. 6,00,00,000/- (Rupees Six crores only) on such terms and conditions as they may deem fit and in the interest of the Company.

NOT WITHSTANDING THAT the making of such loans and investments and giving of such guarantees and securities or undertaking by the Directors may exceed 60% of aggregate of paid up share capital and free reserves or 100% of the free reserves of the Company whichever is more provided however that the procedures prescribed by Section

to above acquisition / purchase together with such modifications and changes as may be accepted on behalf of the Company in presence of one of the Directors of the Company."

13. APPROVAL FOR EMPLOYEE STOCK OPTION SCHEME

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution: "RESOLVED that, in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 ("SEBI Guidelines") issued by the Securities and Exchange Board of India ("SEBI") and pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act 1956 ("the Act"), (including any Statutory modification or re-enactment of the Act or the SEBI Guidelines for the time being in force) and subject to such other consents, permissions, sanctions and approvals as may be required from the appropriate authorities and Bodies and subject to such other conditions and modifications as may be prescribed or imposed while granting such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the company (hereinafter referred to as "the Board", which term shall include any Committee of the Board constituted by the Board to exercise its powers, including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot at one time or from time to time to present and future employees, executive and non executive directors of the company selected on the basis of criteria prescribed by the Board in accordance with the SEBI Guidelines, hereinafter referred to as "the eligible employees" (which expression shall, unless repugnant to the context, mean and include the permanent employees and Directors of the company) such number of options as the Board may decide which could give rise to the issue of Equity shares of nominal face value not exceeding Rs 1,00,00,000 (Rupees One Crore only) divided into 10,00,000 (Ten Lakh only) Equity shares of the face value of Rs 10/- each on such terms and conditions as set out in the explanatory statement annexed hereto and as further described below :

The offer shall be in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by the SEBI Guidelines and in accordance with any other guidelines, rules, regulations and laws to the extent applicable and subject also to the Memorandum and Articles of Association of the company provided that :

- i) the Board shall have absolute discretion from time to time to modify or substitute any such terms or, if it thinks fit, not to undertake or proceed with the implementation of this Resolution in whole or in part.
- ii) the price of the shares shall be not less than such minimum price, if any, prescribed by SEBI and as determined by the Board.
- iii) the equity shares allotted pursuant to this Resolution shall in all respects rank parri passu with the equity shares of the company existing on the date of such allotment(s), except as regards dividend, if any, for the year in which such allotment(s) is/are made, which shall be payable pro-rata from the date of allotment.
- iv) In the event of split in face value of shares, issue of bonus or reduction in capital or other like change in the capital structure of the company, the shares aforesaid shall proportionately increase or reduce as the case may be.

RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board/Compensation Committee or any Committee of the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its/his absolute discretion deem necessary or desirable and pay fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER that the Board/Compensation Committee or any Committee of the Board be and is hereby authorised to settle all questions and matters arising out of and incidental to the proposed issue, offer and allotment of the said equity shares including appointment of one or more trustees to hold these shares on behalf of the Eligible Employees and to do all such acts, deeds and things and to take all steps which the Board /Compensation Committee or Committee of the Board in its absolute discretion considers necessary, proper or expedient for implementing this Resolution."

14. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution: "RESOLVED that the Employees Stock Option Scheme as proposed in Resolution at Item no 13 of this notice be also applicable to and extended to the eligible employees and directors of the subsidiary companies of atcom technologies limited on the terms and conditions as are applicable to the employees of atcom technologies limited.

Registered Office :
6A, Lalwani Industrial Estate,
14 G.D. AMBEKAR Road,
Wadala, Mumbai - 400 031.

For and On Behalf of the Board

Vikram A. Doshi
Chairman and Managing Director

Date : 31st August 2000.

NOTES

- 1 A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.
- 2 The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item No. 5 to 14 above is annexed hereto.
- 3 **Further Information :** Members desirous of obtaining information in respect of the Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least seven days before the date of the Meeting.
- 4 The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 1999 to 30th September, 1999 (both days inclusive).
- 5 In terms of notification dated 8th May, 2000 of the Securities and Exchange Board of India (SEBI) the trading in Equity Shares of the company are under compulsory dematerialisation form and is rolling settlement with effect from 8th May 2000.

The company has entered into agreements with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) to enable the members to select the depository of their choice for holding and dealing in shares in Electronic Form.

ANNEXURE TO THE NOTICE

As required by Section 173(2) of the Companies Act, 1956 (hereinafter referred to as "the act") the following Explanatory Statement sets out all material facts relating to the business mentioned under item No. 5 to 14 of accompanying Notice dated 31st August 2000.

Item No. 5

Mr. Manish C. Patel and Mr. Y. K. Bhushan were appointed as Additional Directors of the Company on 18th July, 2000 and 31st August, 2000 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, they hold office as Directors only up to the ensuing Annual General Meeting. As required by Section 257 of the said Act, notices have been received from members signifying their intention to the appointment of Mr. Manish C. Patel and Mr. Y. K. Bhushan as Directors along with a deposit of Rupees Five Hundred. The Board considers it desirable that the Company should continue to avail itself of their services.

Your directors recommend the resolution for approval.

No director other than Mr. Manish C. Patel and Mr. Y. K. Bhushan respectively are concerned or interested in the resolution.

Item No. 6

With a view to Part Finance the Expansion / Diversification Plans / Acquisition Plans / Working Capital Requirements, Strategic Investments of the Company, it is proposed to Offer / Issue / Allot, subject to such sanctions and approvals as may be necessary, Equity Shares and/or Convertible Debentures (fully or partly) and / or Non-Convertible Debentures and/or Preference shares (Cumulative or Non-Cumulative, Redeemable or Non-Redeemable) and/or Convertible Preference Shares with or without detachable or non-detachable warrants and/or warrants of any nature and/or Secured Premium Notes and/or Floating Rate Notes or Bond and/or any other Financial Instruments (hereinafter referred to as "Securities") as the Board may at any time or times hereafter decide which securities when issued or allotted at such price would ultimately result in an increase in the paid-up Share Capital of the Company by an amount upto a maximum of Rs. 75 Lakhs (Seventy Five Lakhs) Equity Shares of Rs. 10/- each in case of issue of Equity Shares and upto a maximum of authorised capital in case of issue of Preference Shares to the Members, Employees, Non-Resident Indians, Overseas Corporate Bodies, Foreign Institutional Investors (FIIs), Companies, Mutual Funds, Banks, Indian Financial Institutions, other Entities and to such other persons by way of Public Issue, Right Issue, Private Placement, or Preferential Allotment, Exchange of Securities, conversion of Loans or otherwise in the course of the offerings in Indian markets or International markets and whether to shareholders of the Company or not.

The expansion / diversification project is aimed at tapping the market potential that exists for the Company, Company's products and services and for this purpose to build infrastructure and capabilities within the Company.

Pursuant to Provisions of Section 81 and any other applicable provisions, if any, of the Companies Act, 1956 approval of members is sought by way of Special resolution for the Proposed Issue / Offer of Equity Shares / Convertible Debentures /