

BATHINA TECHNOLOGIES (INDIA) LIMITED

5th ANNUAL REPORT 1999 - 2000

REPORT JUNCTION.COM

BATHINA TECHNOLOGIES (INDIA) LIMITED

BOARD OF DIRECTORS:

V. RAO BATHINA	Chairman
D.V.S.S.L.NARAYANA	Director
DR. KAMARAJU BATHINA	Director
PRAVEEN KUMAR NAIDU	Director
RAVI. S. CHERUVU	Director
DINESH.S. SASTRY	Director
B.SURYANARAYANA MURTHY	Director

REGISTERED OFFICE : 126, Srinagar Colony,
Hyderabad –500 073.

CORPORATE OFFICE : 126, Srinagar Colony,
Hyderabad –500 073.

BANKERS Global Trust Bank Limited,
Ameerpet Branch
Hyderabad

AUDITORS : M/S. JBRK & Co. (Former Name Jitendra & Raidu)
Chartered Accountants
108, Maruthi Complex,
Somajiguda,
Hyderabad.

REQUEST TO MEMBERS

- Members are requested to bring their copies of Annual Report for reference during the Annual General Meeting.**
- Members are requested not to be accompanied by non-members and/or children.
- Members are requested to intimate immediately any change in their address registered with the Company.
- Members desirous of obtaining any information concerning the accounts and operation of the company are requested to send their queries at least seven days before the date of the meeting to the Company, so that information required may be made available at the Meeting.
- Members/proxies should bring their attendance slip sent herewith duly filled in the attending the meeting.

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NOTICE :

Notice is hereby given that the Fifth Annual General Meeting of the Members of BATHINA TECHNOLOGIES (INDIA) LIMITED (Formerly Srico Systems (India) Limited) will be held on Saturday, the 30th December 2000 at 11:00 a.m. at "Sri Satya Sai Nigamagamam (Kalyana Mandapam)", 8-3-987/2, Srinagar Colony, Hyderabad – 500 073 to transact the following business.

ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2000 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
02. To Declare Dividend on Equity Shares.
03. To appoint a Director in place of Sri. D.V.S.S. Lakshmi Narayana who retires by rotation and being eligible offers himself for re-appointment.
04. To appoint M/s. JBRK&Co,(Formerly known as Jitendra & Raidu), Chartered Accountants, as auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

II. SPECIAL BUSINESS:

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

"RESOLVED THAT Sri G. Praveen Kumar Naidu ,who was appointed as Additional Director by the Board of Directors on 30th March 2000 and who in terms of Section 260 of the Companies Act; 1956 holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice pursuant to the provisions of Section 257 of the

Companies Act, 1956 along with the requisite deposit proposing the Candidature of Sri. G.Praveen Kumar Naidu for the office of the Director be and is hereby appointed as Director of the company liable to retire by rotation."

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

"RESOLVED THAT Dr. Ravi.S.Chervu, who was appointed as Additional Director by the Board of Directors on 30th March 2000 and who in terms of Section 260 of the Companies Act, 1956 holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice pursuant to the provisions of Section 257 of the Companies Act, 1956 along with the requisite deposit proposing the Candidature of Dr. Ravi.S.Chervu for the office of the Director be and is hereby appointed as Director of the company liable to retire by rotation."

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

"RESOLVED THAT Sri Dinesh .S. Sastry, who was appointed as Additional Director by the Board of Directors on 30th March 2000 and who in terms of Section 260 of the Companies Act, 1956 holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice pursuant to the provisions of Section 257 of the Companies Act, 1956 along with the requisite deposit proposing the Candidature of Sri Dinesh .S. Sastry, for the office of the Director be and is hereby appointed as Director of the company liable to retire by rotation."

08. APPOINTMENT OF AND REMUNERATION PAYABLE TO SRI. G.PRAVEEN KUMAR NAIDU AS EXECUTIVE DIRECTOR.

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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 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereunder and subject to such other approvals/sanctions, if any, as may be required, the approval of the Company be and is hereby accorded to the appointment of and remuneration payable to Sri. G.Praveen Kumar Naidu, Director, as Executive Director for a period of Five Years with effect from 01.01.2001 on the terms and conditions as to remuneration and other benefits as follows:

1. **Salary** : Rs. 30,000/-per month (Rupees Thirty Thousand only) inclusive of allowances.
2. **Perquisites**: He shall be entitled for the perquisites as may be decided by the Board from time to time.

In case of Loss or inadequacy of profits the Executive Director is eligible for the minimum remuneration as specified in Section II of Schedule XIII of the Companies Act 1956.

09. APPOINTMENT OF AND REMUNERATION PAYABLE TO SRI. D.V.S.S.LAKSHMI NARAYANA AS EXECUTIVE DIRECTOR.

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 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereunder and subject to such other approvals/sanctions, if any, as may be required, the approval of the Company be and is hereby accorded to

the appointment of and remuneration payable to Sri. D.V.S.S.Lakshmi Narayana, Director, as Executive Director for a period of Five Years with effect from 01.01.2001 on the terms and conditions as to remuneration and other benefits as follows:

1. **Salary** : Rs. 30,000/-per month (Rupees Thirty Thousand only) inclusive of allowances.
2. **Perquisites**: He shall be entitled for the perquisites as may be decided by the Board from time to time.

In case of Loss or inadequacy of profits the Executive Director is eligible for the minimum remuneration as specified in Section II of Schedule XIII of the Companies Act 1956.

10. APPOINTMENT OF AND REMUNERATION PAYABLE TO DR. KAMARAJU BATHINA AS EXECUTIVE DIRECTOR.

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 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereunder and subject to such other approvals/sanctions, if any, as may be required, the approval of the Company be and is hereby accorded to the appointment of and remuneration payable to Dr. Kamaraju Bathina, Director, as Executive Director for a period of Five Years with effect from 01.01.2001 on the terms and conditions as to remuneration and other benefits as follows:

1. **Salary** : Rs. 30,000/-per month (Rupees Thirty Thousand only) inclusive of allowances.
2. **Perquisites**: He shall be entitled for the perquisites as may be decided by the

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Board from time to time.

In case of Loss or inadequacy of profits the Executive Director is eligible for the minimum remuneration as specified in Section II of Schedule XIII of the Companies Act 1956.

11. **ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH TO SILICON SOFTWARE SOLUTIONS CO., USA**

To consider and if thought fit to pass with or without modifications(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 and subject to entering into definite agreements by the Company and subject to the consent of all concerned authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such consent or approvals, consent of the Company be and is hereby accorded to the Board, for acquisition of Silicon Software Solutions Co., USA on the following terms and conditions'.

AUTHORISATION:

The Board is authorised to create, offer, issue and allot to the shareholders of M/s. Silicon Software Solutions Co., USA, Equity shares of the Company of the face value of Rs.10 each not exceeding 5,00,000 Equity shares @ Rs.100/- each aggregating Rs.5,00,00,000 (Rupees Five Crores only) as consideration other than cash for acquiring M/s. Silicon Software Solutions Co., USA.

LOCK IN PERIOD

The equity shares proposed to be allotted to the promoters of M/s. Silicon Software Solutions Co., USA Shall be subject to lock in period of one Year from the date of

allotment of shares. However, the interse transfers among the promoters is permissible as per SEBI guidelines/ regulations in force from time to time.

RANKING OF SHARES:

The shares proposed to be issued to the promoters of M/s. Silicon Software Solutions Co., USA shall rank pari passu with the existing Equity Shares of the Company subject to the provisions of the companies Act, 1956 and the Memorandum and Articles of Association of the Company.

" RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, and things as may be deemed expedient and necessary to give effect to this resolution"

12. **ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH TO OCTAL SYSTEMS LIMITED**

To consider and if thought fit to pass with or without modifications(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 and subject to entering into definite agreements by the Company and subject to the consent of all concerned authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such consent or approvals, consent of the Company be and is hereby accorded to the Board, for acquisition of Octal Systems Limited on the following terms and conditions'.

AUTHORISATION:

The Board is authorised to create, offer, issue and allot to the shareholders of M/s. Octal Systems Limited Equity shares of the Company of the face value of Rs.10 each not exceeding 1,00,000 Equity

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shares @ Rs.100/- each aggregating Rs. 1,00,00,000 (Rupees One Crore only) as consideration other than cash for acquiring Octal Systems Limited.

LOCK IN PERIOD

The equity shares proposed to be allotted to the promoters of M/s. Octal Systems Limited shall be subject to lock in period of one Year from the date of allotment of shares. However, the interse transfers among the promoters is permissible as per SEBI guidelines/regulations in force from time to time.

RANKING OF SHARES:

The shares proposed to be issued to the promoters of M/s. Octal Systems Limited shall rank pari passu with the existing Equity Shares of the Company subject to the provisions of the companies Act, 1956 and the Memorandum and Articles of Association of the Company.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, and things as may be deemed expedient and necessary to give effect to this resolution"

13. **ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH TO SIT SYSTEMS, A PROPRIETARY CONCERN**

To consider and if thought fit to pass with or without modifications(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 and subject to entering into definite agreements by the Company and subject to the consent of all concerned authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such consent or approvals, consent of the Company be and is hereby accorded to the Board, for acquisition of SIT Systems, a Proprietary Concern, on the following terms and conditions'.

AUTHORISATION:

The Board is authorised to create, offer, issue and allot to Sri. Suresh & Associates of SIT Systems, a Proprietary Concern, Equity shares of the Company of the face value of Rs. 10 each not exceeding 20,000 Equity shares @ Rs.100/- each aggregating Rs.20,00,000 (Rupees Twenty Lakhs only) as consideration other than cash for acquiring SIT Systems, a Proprietary Concern.

LOCK IN PERIOD

The equity shares proposed to be allotted to Sri. Suresh & Associates of SIT Systems, a Proprietary Concern shall be subject to lock in period of one year from the date of allotment of shares. However, the interse transfers among the said allottees is permissible as per SEBI guidelines/regulations in force from time to time.

RANKING OF SHARES:

The shares proposed to be issued to Sri. Suresh & Associates of SIT Systems shall rank pari passu with the existing Equity Shares of the Company subject to the provisions of the companies Act, 1956 and the Memorandum and Articles of Association of the Company.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, and things as may be deemed expedient and necessary to give effect to this resolution"

14. **ALTERATION OF ARTICLES OF ASSOCIATION**

To consider and if thought fit, to pass, with or without modification the following resolutions as Special Resolutions.

"RESOLVED THAT pursuant to section 31 of the Companies Act, 1956 and other applicable provisions if any, and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities the existing Articles Numbers 1, 2, 14, 21, 22, 39, 40, 56, 59, 121 and 176 of the Articles of

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Association of the company be and are hereby altered/modified/inserted /deleted in the following manner.

I. Article No.1 of the Articles of Association be altered as follows:

- (1) Table A in schedule 1 to the Companies Act, 1956 be adopted and shall apply to the Company to the extent so far as its regulations are not inconsistent or repugnant to any of the Articles of Association of the Company.

II In Article 2 relating to Interpretation Clause, the following Definitions be added after the "Year and Financial Year"

- (1) In Article 2 relating to Interpretation Clause, the following Definitions be added after the "YEAR and FINANCIAL YEAR"

" Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

" Depositories Act, 1996" shall include any statutory modification or re-enactment thereof.

" Depository" shall mean a Depository as defined in Clause (e) of Sub-Section (1) of Section (1) of Section 2 of the Depositories Act, 1996.

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

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

- (2) In the existing Article 2 of the Articles of Association of the Company, the definition of "Member" shall be substituted as follows:

"Member" means members of the Company holding a share or shares of any class and includes the beneficial owner in the records of the Depository.

- (3) In the existing Article 2 of the Articles of Association of the Company, the definition of "Register of Members" shall be substituted as follows:

"The Register of Members" means the Register of Members to be kept as required by Section 150 of the Act and where shares are held in dematerialised form "The Register of Members" includes the Register of Beneficial Owners maintained by a Depository.

III. By deletion of Article 14 (a),(b),(c) and substituting therefor a new article 14 (1),(2) , (3) and (4) as follows:

Article No. 14 (1)

Where at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then :

- (a) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier

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intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person (s) as they may think, in their sole discretion, fit.

Article No. 14 (2)

Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof) in any manner whatsoever

- (a) If a special resolution to that effect is passed by the company in General Meeting, or
- (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.

Article No. 14 (3)

Nothing in sub-clause (c) of Article 14 (1) hereof shall be deemed:

- (a) To extend the time within which the offer should be accepted: or
- (b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation

Article No. 14 (4)

Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company:

- (i) To convert such debentures or loans into shares in the company; or
- (ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

IV. Article No. 21 (d) be inserted after the Article No. 21 (c)

Article 21 (d)

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of

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registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

V. DEMATERIALISATION OF SECURITIES:

Following Article 21 (e) shall be inserted after article 21 (d) :

Article 21 (e)

The Company shall be entitled to dematerialise its existing shares, debentures and other securities, dematerialises its shares, debentures and other securities held in the Depositories and/or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant of the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and participants) Regulations, 1996.

Option for investors

"Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a 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 security 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 Depository to be in fungible form

" All Securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners."

Rights of Depositories and Beneficial owners:

- (a) Notwithstanding any thing to the contrary contained in the Act or the Articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) 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 of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

Service of Documents

Notwithstanding anything in the Act or these 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.

BATHINA TECHNOLOGIES (INDIA) LIMITED**Transfer of Securities**

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

Allotment of Securities dealt with in a depository:

Notwithstanding any thing contained in the Act, or the Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depositor immediately on allotment of such securities.

Distinctive Numbers of Securities held in a Depository

Nothing contain in the Act are these Articles regarding the necessity of having Distinctive Numbers for securities issued by the Company shall apply to securities held with Depository.

Register and Index of beneficial owners:

The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and Security holders for the purposes of the Articles."

VI. Article No. 22 (c) be substituted as follows

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, as a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

Every certificates under the Article shall be issued without payment of fees if the

Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the company

VII Article Nos. 39 (a) & (b) be deleted and the following Article No. 39, be substituted as follows:

The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.