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Annual Report 99 - 2000

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Sudhakar Ram



R. Sundar



P.G. Kakodkar



Gurcharan Das



Sanjaya S. Kulkarni



Mike Cast



Karl-Heinz Jauch



Kishor Bhalerao

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MASTEK LIMITED

Regd. Office: 804/805, President House, Opp. C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380 006

NOTICE TO MEMBERS

NOTICE is hereby given that the Eighteenth Annual General Meeting of MASTEK LIMITED will be held at the GAJJAR HALL, NIRMAN BHAVAN, LAW GARDEN, LAW COLLEGE ROAD, ELLIS BRIDGE, AHMEDABAD - 380 009, on Wednesday, October 04, 2000 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2000 and the Profit and Loss Account for the year ended on that date together with Reports of the Directors and the Auditors of the Company.
2. To declare the final dividend on Equity Shares.
3. To consider the vacancy in the Board due to the retirement of Mr. S.S. Kulkarni who retires by rotation and does not seek re-election.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications as an Ordinary Resolution, the following:

"RESOLVED THAT Mr. P.G. Kakodkar, who was co-opted as an Additional Director of the Company by the Board of Directors, who holds office under Section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications as an Ordinary Resolution, the following:

"RESOLVED THAT Mr. Gurcharan Das, who was co-opted as an Additional Director

of the Company by the Board of Directors, who holds office under Section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications, as an Ordinary Resolution the following:

"RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956 and relevant provisions of the Memorandum and Articles of Association of the Company, each of the existing fully paid-up Equity Share of par value of Rs. 10/- be and is hereby sub-divided into two fully paid-up Equity Shares of par value of Rs. 5/- per share."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things including issue of fresh share certificates and execute all such documents, instruments and writings as may be required in connection thereof and to delegate all or any of the powers herein vested in them to any Committee of Directors or any Director(s) to give effect to this Resolution."

8. To consider and if thought fit, to pass with or without modifications, as an Ordinary Resolution the following:

"RESOLVED THAT the Authorized Equity Share Capital of the Company be and is hereby altered from the existing Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs. 10/- each (Rupees Ten Only) to Rs. 10,00,00,000/-

MASTEK LIMITED

(Rupees Ten Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of Rs. 5/- each (Rupees Five Only), and consequently, the existing clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the 1st sentence of Clause V of the Memorandum of Association of the Company and substituting in place and stead thereof, the following as the first sentence of Clause V:"

"The Authorized Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 5/- (Rupees Five Only) each and 20,00,000 (Twenty Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each."

9. To consider and if thought fit, to pass with or without modifications, as a Special Resolution the following:

"RESOLVED THAT the Articles of Association of the Company be and is hereby altered by deleting the existing Article 3(B) and substituting in place and stead thereof the following new Article 3(B):

"The Authorized Share Capital of the Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 5/- (Rupees Five Only) each and 20,00,000 (Twenty Lacs) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each with power to increase or reduce the capital and to attach to the said Preference Shares such preferential, qualified or special rights and to provide for such rate of dividend on the Preference Shares as may be determined by the Directors and to vary or modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company and to consolidate or sub-divide the shares

and issue shares of higher or lower denominations."

10. To consider and if thought fit, to pass with or without modifications, as a Special Resolution the following:

"RESOLVED THAT the resolution passed at the Extraordinary General Meeting held on April 18, 2000, being an amendment to the resolution passed at the Annual General Meeting held on December 11, 1998, the text of which is set out in the Explanatory Statement hereto, be and it is hereby amended so as to authorise the Board of Directors (the Board) of the company or any Committee of Directors, as the case may be, pursuant to Section 81(1A) of the Companies Act, 1956, and subject to the applicable guidelines issued by SEBI and other applicable laws, to issue additional options to the option-holders, who shall be the employees of the company and its subsidiaries, (whether in India or abroad and whether resident or non-resident or foreign nationals or NRIs) excluding the non-executive Directors and Wholtime Directors of the company and its subsidiaries, in the proportion of bonus shares issued to the shareholders and in such proportions of bonus shares which may be issued in the future at the adjusted price arrived at, in accordance with the proportion in which the bonus shares are/ will be issued to the shareholders."

"FURTHER RESOLVED THAT the limit of 1,50,000 equity shares as reserved vide the original resolution passed at the Annual General Meeting held on December 11, 1998 be proportionately increased in accordance with the proportion in which bonus shares have been issued and such further bonus shares as may be issued in the future and the issue price be adjusted/ reduced proportionately for the balance options, after adjusting the options which may have already vested from time to time."

"FURTHER RESOLVED THAT consequent upon the split/sub-division of the equity shares of the company passed at this Meeting and any further stock splits/sub-divisions as may be approved by the shareholders in the future, the entitlement of the option-holders be increased in the proportion to the stock split/sub-division and the reserved limit of equity shares be automatically increased in the proportion of the stock split/sub-division and the price subsequent to the stock split/sub-division be adjusted in accordance with the proportion.

"FURTHER RESOLVED THAT the Board be and it is hereby authorised to amend the existing scheme as to its terms and conditions including issue of additional options at the adjusted price in order to give effect of the bonus shares issued and to be issued, vesting and exercise schedules, eligibility criteria etc. in the best interest of the Company and the employees."

"FURTHER RESOLVED THAT the Board be and it is hereby authorised to do all acts, deeds and things as may be necessary or incidental for the above purposes and for giving effect to the above amendment to the resolution of April 18, 2000 and including any decision to accept any modification or variation as may be suggested by SEBI or any other statutory authority to the ESOP Scheme and to settle any question arising thereto."

By Order of the Board of Directors
For **Mastek Limited**

N. Balakrishnan
Company Secretary

Place : Mumbai

Date : 12th August, 2000

NOTES :

1. A MEMBER ENTITLED TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of items 5 and 10 of the Notice is annexed hereto and forms part of this Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 13th September 2000 to 15th September 2000 (both days inclusive).
4. Any equity dividend that may be approved at the Annual General Meeting will be paid to the shareholders whose names appear:
 - (i) as Beneficial Owners as at the end of the business hours on 15th September, 2000 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Ltd., respectively, in respect of the shares held in electronic form; and
 - (ii) as members in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company for the purpose of transfer on or before 15th September, 2000.
5. Members are requested to immediately notify any change in their addresses to the Share Transfer Agents of the Company at the following address :

Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Chakala,
Andheri (East),
Mumbai - 400 099.

MASTEK LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item 5**

Mr. P.G. Kakodkar was co-opted as an Additional Director of the Company with effect from March 8, 2000, pursuant to Section 260 of the Companies Act, 1956. Mr. P.G. Kakodkar holds office of Director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith the requisite deposit amount proposing the candidature of Mr. P.G. Kakodkar for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr. P.G. Kakodkar is the former Chairman of State Bank of India. The Company will benefit from the rich expertise of Mr. Kakodkar in the area of Information Technology in Financial Services and his deep understanding of International Financial Markets.

None of the Directors other than Mr. P.G. Kakodkar is, in any way, concerned or interested in this Resolution.

Item 6

Mr. Gurcharan Das was co-opted as an Additional Director of the Company with effect from March 8, 2000, pursuant to Section 260 of the Companies Act, 1956. Mr. Gurcharan Das holds office of Director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith the requisite deposit amount proposing the candidature of Mr. Gurcharan Das for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Mr. Gurcharan Das is a management consultant and a well-known author. He was the Chairman & Managing Director of Richardson Hindustan Limited. His experience in Brand building in a global and competitive environment will be an added advantage to the Company.

None of the Directors other than Mr. Gurcharan Das is, in any way, concerned or interested in this Resolution.

Item 7

The par value of the Company's existing Equity Shares is Rs. 10/-. The Board of Directors (the Board) of the Company has recommended a Stock Split i.e., a sub-division of each equity share of par value of Rs. 10/- into two equity shares of par value of Rs. 5/- each. This recommendation is mainly to improve the liquidity of the Company's stock.

In order to make such a sub-division of the existing Equity Shares, the Board requires approval of the members by way of Ordinary Resolution pursuant to Section 94 of the Companies Act, 1956 and Article 9 of the Article of Association of the Company.

The Ordinary Resolution, if passed, will have the effect of entitling the holders of the Equity Shares to receive two Equity Shares of par value of Rs. 5/- each for every equity share as on the RECORD DATE to be determined by the Board.

The Board recommends the resolution for the approval of members.

None of the Directors is, in any way, concerned or interested in this resolution.

Item 8 & 9

In view of the proposal to sub-divide the existing Equity Shares of par value of Rs. 10/- per share into two Equity Shares of par value of Rs. 5/- each, it is necessary to amend the Capital Clause contained in the Company's Memorandum of Association. Similarly, the resolution at item 9 seeks to amend Article 3B pertaining to the Authorised Capital in the Company's Articles of Association.

A copy of the Company's Memorandum & Articles of Association is open for inspection during business hours on any working day.

The Board recommends the said resolutions for the approval of members.

None of the Directors is, in any way, concerned or interested in this Resolution

Item 10

The Board had recommended and the shareholders had passed on April 18, 2000, the following resolution as an amended resolution to the original resolution passed at the Annual General Meeting held on December 11, 1998.

"RESOLVED THAT the resolution passed at the Annual General Meeting of the Company held on December 11, 1998 the text of which is set out in the Explanatory Statement hereto, be and it is hereby amended so as to authorise the Board of Directors (the Board) pursuant to Section 81 (1A) of the Companies Act, 1956 and subject to the applicable SEBI guidelines, and other applicable laws to issue and allot not exceeding 150,000 Equity Shares to the eligible employees of the Company, its subsidiaries and affiliate Companies (whether in India or abroad and whether resident or non-resident or foreign nationals or NRI(s)) excluding the non-executive Directors and Wholtime Directors of the Company, its subsidiaries and affiliate companies in accordance with the guidelines issued by SEBI on the Employees' Stock Option Plan (ESOP) and in accordance with the ESOP Scheme framed by the Board."

"FURTHER RESOLVED THAT the Board be and it is hereby authorised to amend the existing scheme as to its terms and conditions, vesting and exercise schedules, eligibility criteria etc. in the best interest of the Company and the employees."

"FURTHER RESOLVED THAT the Board be and it is hereby authorised to do all acts, deeds and things as may be necessary or incidental for the above purposes and for giving effect to the above amendment to the resolution of 11th December 1998 and including any decision to accept any modification or variation as may be suggested by SEBI or any other statutory

authority to the ESOP Scheme and to settle any question arising thereto."

Pursuant to the aforesaid resolution, the company has issued certain number of stock options to the employees of the company and overseas subsidiary companies.

However, in view of the bonus shares issued to the shareholders of the company, in the year 1999-2000, the Board of Directors propose to issue additional stock options to the employees to whom options have been issued, in the same proportion as the bonus issue and simultaneously, to reduce the issue price of the shares. This resolution also enables the Board to issue additional options at the applicable proportions in future in case of issue of any further bonus shares to the shareholders. Further, the reserved limit of 150000 shares would automatically increase in the proportion of the bonus shares after adjustment of the options already vested and the price of shares would reduce proportionately.

The options granted would increase in proportion to the stock split/sub-division of shares passed at this Meeting and any further stock splits/sub-divisions as may be approved by the shareholders in the future. Similarly, the outstanding shares out of the reserved limit, would also increase in proportion to the stock split/sub-division. The price of shares, subsequent to the stock split/sub-division, would also get adjusted/reduced in accordance with the proportion of the stock split/sub-division.

None of the Directors is, in any way, concerned or interested in the Resolution.

By Order of the Board
For **Mastek Limited**

N. Balakrishnan
Company Secretary

Mumbai
Date: 12th August, 2000



The foundation of any strong partnership is trust, and the open atmosphere at Mastek fosters just that. It is this trust, that enables us to access, and keep, the best and most promising minds in the IT industry.



Openness is encouraged by several means, one being our feedback sessions that offer the chance to question, challenge and give suggestions.



When we are generous with praise, levels of performance can be raised to unimaginable heights. The Mastek rewards and awards help our employees soar higher. Making them feel they belong.

And of course, we have Runtime,



where even the families of the employees are invited to partake in the fun.



The values instilled in our Mastekers have helped us achieve one of the lowest attrition rates and one of the highest performance levels in the industry.



On the subject of work, Mastekers are of one mind...

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"Working at Mastek has been a rewarding experience, literally speaking...the number of awards given



away is significant of Mastek's appreciation, in fact, there's even a Smile at Work award... ..I'd say I have enjoyed

working here every single day of my nine years...the open atmosphere...the challenging



work profile ...

...Mastek has made work more fun, and added more fun into our lives... Runtime is one

event that is the envy



of all my friends... ..Mastek has instilled in me a feeling of oneness...of bonding... .. I have never felt the need for a



change of job."



Mastekers

Many share

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BOARD OF DIRECTORS

Ashank Desai

Chairman & Managing Director

Ketan Mehta

Wholetime Director

Sudhakar Ram

Wholetime Director

R. Sundar

P.G. Kakodkar

Gurcharan Das

Sanjaya S Kulkarni

BANKERS

ICICI Bank Limited
The Vysya Bank Ltd.

AUDITORS

Price Waterhouse & Co.

REGISTERED OFFICE

804/805 President House,
Opp. C.N. Vidyalaya,
Near Ambawadi Circle,
Ahmedabad - 380 006.

SHARE TRANSFER AGENT

Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Chakala, Andheri (East),
Mumbai 400 099.

EXECUTIVE BOARD

Ashank Desai

Chairman & Managing Director

Ketan Mehta

Director

Sudhakar Ram

Director

Mike Cast

Managing Director
Mastek (UK) Ltd., UK

Karl-Heinz Jauch

Managing Director
Mastek GmbH, Germany

Kishor Bhalerao

Group Sr. Vice President - HR

EXPORT UNITS

Mumbai (SEEPZ), Pune

OFFICES IN INDIA

Ahmedabad, Bangalore, Calcutta,
Chennai, Coimbatore, Mumbai, New
Delhi and Pune

OFFICES OVERSEAS

Belgium, Germany, Japan, Malaysia,
Singapore, UK and USA