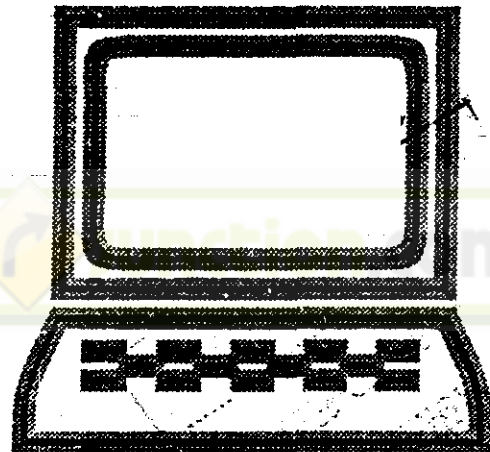


SHYAM SOFTWARE INDUSTRIES LIMITED



FIFTH ANNUAL REPORT 1999-2000

SHYAM SOFTWARE INDUSTRIES LIMITED

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ANNUAL REPORT 1999-2000

Board of Directors : Shri Shyamkishor Delhiwala — *Chairman & Executive Director*
Shri Niraj Delhiwala *Managing Director*
Dr. Ms. Babita Mathur *Director*

Company Law Consultant : Shri Kashyap R. Mehta
Company Secretary

Bankers : Bank of Baroda
Nutan Nagrik Sahakari Bank Ltd.

Auditors : M/s. S.R.Godiawala & Co.
Chartered Accountants
Ahmedabad

Internal Auditors : M/s. S.V.Dave & Associates
Chartered Accountants, Ahmedabad

Legal Advisors : Shri S.A. Desai
Advocate

Registered Office : C-1, Sonarika Apartments,
IIM Road
Polytechnic Cross Roads
Ahmedabad 380 015

SHYAM SOFTWARE INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the FIFTH ANNUAL GENERAL MEETING of the Members of SHYAM SOFTWARE INDUSTRIES LIMITED will be held as scheduled below :

Date : 28th September, 2000
 Day : Thursday
 Time : 12 Noon
 Place : At the Registered Office of the Company at:
 C - 1, Sonarika Apartments,
 IIM Road,
 Polytechnic Cross Roads,
 Ahmedabad - 380 015.

to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt Audited Profit and Loss Account for the Financial Year 1999-2000 ended on 31st March, 2000 and the Balance Sheet as on that date alongwith Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms. (Dr) Babita Mathur, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 314 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby appoint Shri Niraj Delhiwala as Managing Director of the Company for a period of 5 years with effect from 1st July, 2000, on the terms and conditions set out in the Draft agreement of appointment submitted to this meeting duly initialled by the Chairman for identification and that he be paid remuneration by way of Salary and perquisites not exceeding the amount thereof as set out in the accompanying Explanatory Statement which is permissible under Part II of Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT the extent and scope of salary and perquisites as specified in the Explanatory Statement be altered, enhanced, widen or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration

in force during the tenure of the Managing Director without being referred to the Company in General Meeting."

5. 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 provision of Section 31 and other applicable provisions of the Companies Act, 1956 (including statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out hereinbelow:

- A. 'Article 2 of the Articles of Association shall include the following definitions in alphabetical order with marginal notes:

Beneficial Owner:

'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:

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

Depository:

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

- B. Definition of Members given in Article 2 be deleted and the following with the marginal note be substituted in its place:

Members:

Members means the duly registered holders, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

- C. Article 12 of the Articles of Association be substituted by the following:

12. Register and Index of Members:

The Company shall cause to be kept a Register of Members in accordance with all applicable provisions of the Companies Act, 1956 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.

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- D. The following Article with marginal note be inserted after the existing Article 12 and be numbered as Article 12 A:
- (1) **Dematerialisation:**
Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialise its existing shares and rematerialise its shares held in Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.
- (2) **Options 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 a beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required Certificates 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 the records the name of the allottee as the beneficial owner of the security.
- (3) **Securities with Depositories 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, 187A, 187B, 187C and 372 and such other applicable provisions of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (4) **Rights of Depositories and Beneficial Owners:**
(a) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or these Articles, a Depository shall be deemed to be the registered Owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.
(b) Save and otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other right 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 Member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all liabilities in respect of the securities held by a Depository on behalf of the beneficial owner.
- (5) **Service of Documents:**
Notwithstanding anything contained in the Companies Act, 1956 or these Articles to the contrary, where securities are held with 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.
- (6) **Transfer of Securities:**
Nothing contained in Section 108 of the Companies Act, 1956, or these Articles shall apply to transfer of Securities, effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
- (7) **Allotment of Securities dealt with in a Depository:**
Nothing contained in Section 108 of the Companies Act, 1956, or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (8) **Distinctive numbers of Securities held with in a Depository:**
Nothing contained in Section 108 of the Companies Act, 1956, or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- E. Article 24 of the Articles of Association be substituted by the following:
- 24. Company not bound to recognise any interest in share other than of Registered Holder:**
Except as order by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the

SHYAM SOFTWARE INDUSTRIES LIMITED

person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the beneficial owner, of shares thereof and accordingly shall not be bound to recognise any benami, trust, or equity or equitable, contingent, or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them

- F. The following Article with marginal note be inserted after the existing Article 24 and be numbered as Article 24 A:

Nomination:

Notwithstanding anything contained herein, a Member has a right to nominate one or more persons as his/her nominee(s) to be entitled to the rights and privileges as may be permitted under the law of such a member in the event of death of the said member/s subject to the provisions of the Companies Act, 1956, and other applicable laws.

- G. Article 55 of the Articles of Association be substituted by the following:

The Company shall keep a 'Register of Transfers' and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.

- H. The following Article with marginal note be inserted after the existing Article 55 and be numbered as 55 A:

55A. Transfer and Transmission of Shares and Securities held in electronic form:

In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply."

Registered Office:
C - 1, Sonarika Apartments,
IIM Road,
Polytechnic Cross Roads,
Ahmedabad - 380 015.
Date :29th June, 2000

By Order of the Board,

Niraj Delhiwala
Managing Director

NOTES:

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Items Nos. 4 and 5 set out in the Notice is annexed hereto.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy need not be a Member. Proxies in order to be effective, must be received by the Company not less than 48 hours before the time of meeting.
3. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Tuesday, the 5th September, 2000 to Thursday, the 28th September, 2000 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to :
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the Change in their registered address, if any, to the Company.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956 following Explanatory Statement sets out all material facts relating to Special Business mentioned at Items Nos. 4 and 5 of the accompanying Notice dated 29th June, 2000 and should be taken as forming part of the Notice.

In respect of Item No. 4

Shareholders may recall that Shri Niraj Delhiwala was appointed as Managing Director of the Company for a period of five years from 1st July, 1995 to 30th June, 2000. The Board of Directors in their meeting held on 29th June, 2000 has reappointed Shri Niraj Delhiwala as Managing Director for a further period of five years i.e. from 1st July, 2000 to 30th June, 2005.

The major common terms and conditions of his reappointment are as under:

I. PERIOD:

The term of the Managing Director shall be for a period of five years from 1st July, 2000 to 30th June, 2005.

II. REMUNERATION:

A. SALARY :

The Managing Director shall be entitled to salary of Rs. 20,000/- per month.