

*f***ICIM**

ANNUAL REPORT

1998-99

BOARD OF DIRECTORS

H.V. Goenka, Chairman
A.T. Vaswani, Vice Chairman
R.A. Chamberlain
P.K. Choksey
P.K. Chowdhary
M. Coombs
R.M. Hacking
I. Hardacre
Dr. L.S. Kanodia
Dr. Kamal K. Sharma
H.L. Mundra
N.J. Roach
Hiroshi Oda (Alternate to Mr. N.J. Roach)
P. Rajagopalan
A. Suzuki

REGISTERED OFFICE

Bhawkar Bhavan
31, K.B. Joshi Marg
Shivaji Nagar
Pune-411 005

Report  Junction.com

HEAD OFFICE

Magnet House, Narottam Morarjee Marg
Mumbai 400 038

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants

SOLICITORS AND ADVOCATES

Crawford Bayley & Co.
Desai & Chinoy

REGISTRARS AND SHARE TRANSFER AGENTS

Sharepro Services
912, Raheja Centre, Free Press Journal Marg
Nariman Point, Mumbai 400 021

FUJITSU ICIM LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE THIRTYSIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF FUJITSU ICIM LIMITED WILL BE HELD AT MAHRATTA CHAMBER OF COMMERCE & INDUSTRIES, 1013/14, TILAK ROAD, PUNE 411 002 ON FRIDAY, 23RD JUNE, 2000 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary business

1. To receive, consider and adopt the audited Balance Sheet as at 30th September, 1999 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A. T. Vaswani, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. P. K. Choksey, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. N. J. Roach, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. R. M. Hacking, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

Special Business

7. To consider and, if thought fit, to pass with or without modification(s), the following 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 and are hereby amended and/or altered as under:
 - (a) The definition of "Members" appearing in Article 2 of the Articles of Association of the Company be substituted by the following:
 "Members" mean the registered holders from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company".
 "Members in respect of dematerialised shares" mean the beneficial owner thereof, i.e. the person or persons whose name is recorded as a beneficial owner in the Register maintained by a Depository under the Depositories Act, 1956 and in respect of other shares the person or persons whose name is duly registered as a holder of a share in the Company from time to time and includes the subscribers to the memorandum of Association.
 - (b) The following heading and Article be inserted as Article 191 after Article 190 of the Articles of Association of the Company.

Article 191:**DEMATERIALISATION OF SECURITIES****Definitions 191**

- (1) For the purpose of this Article

"Beneficial Owner" means a person whose name is recorded as such with a Depository;

"Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992;

"Depositories Act" means the Depositories Act, 1996 or any statutory modification or re-enactment thereof;

"Registered Owner" means a Depository whose name is entered as such in the records of the Company;

"Security" means such security as may be specified by the Securities and Exchange Board of India from time to time.

**Dematerialisation/
Rematerialisation
of Securities**

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/rematerialise its securities and to offer securities in the dematerialised form pursuant to the Depositories Act.

FUJITSU ICIM LIMITED

Securities in fungible form	(3) All securities held by a Depository shall be dematerialised and shall be in fungible form. No Certificate shall be issued for the securities held by a beneficial owner.
Transfer of Securities	(4) Nothing contained in these Articles shall apply to transfer of securities held by a beneficial owner.
Allotment of Securities	(5) Where the securities are dealt with in a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.
Register and Index of Beneficial Owners	(6) The Register and Index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and Index of members and other security holders.
Rights of Depository and Beneficial Owners	(7) As a registered owner, Depository shall not have any voting rights or any other rights in respect of the securities held by it. Every person whose name is entered as the beneficial owner of shares in the records of the Depository shall be deemed to be a member of the Company. Every beneficial owner of 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 the Depository.

By Order of the Board of Directors

K. R. RAMAKRISHNAN
Company Secretary

Mumbai, 4th May, 2000

Registered Office

"Bhawkar Bhavan"
31, K. B. Joshi Marg
Shivaji Nagar
Pune - 411 005

NOTES

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 21st June, 2000 to Wednesday, 28th June, 2000 (both days inclusive).
2. Members are requested to notify to the Company any change in their addresses specifying full address in block letters with pin code of the post office.
3. Members are requested to bring their copy of the Annual Report with them to the Meeting as extra copies will not be supplied.
4. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend the Meeting.
5. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER.
6. An explanatory statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.

FUJITSU ICIM LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 7

The Securities and Exchange Board of India (SEBI) has listed the Company's scrips for compulsory demat trading by Institutional Investors and OCBs with effect from 17th January 2000. Thereafter demat trading has been made compulsory for all investors with effect from 21st March 2000 under SEBI's directive.

The Company has signed an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) which will enable investors to hold the Company shares in electronic form.

In view of this, it is proposed to incorporate enabling provisions in the Articles of Association of the Company, which requires approval of the Members.

None of the Directors is concerned or interested in the Resolution.

By Order of the Board of Directors

K. R. RAMAKRISHNAN
Company Secretary

Mumbai, 4th May, 2000

Registered Office
"Bhawkar Bhavan"
31, K. B. Joshi Marg
Shivaji Nagar
Pune - 411 005



FUJITSU ICIM LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors present the Annual Report together with the Audited Accounts for the year ended 30th September 1999.

1. COMPANY PERFORMANCE

Financial results for the period, in summary, are :

	Rs. Lakhs 1998-99	Rs. Lakhs 1997-98
Sales, Rental & Other Services	901	3829
Operating Loss	865	1394
Extraordinary items including loss on sale of SES business	364	—
Miscellaneous & Other Income	1500	2149
Profit before Finance Charges and Depreciation	271	755
Finance Charges	149	517
Depreciation	39	131
Profit before Taxation	83	107
Provision for Taxation	—	70
Taxation adjustments in respect of Previous Years	(145)	(88)
Profit after Taxation	228	125
Transfer from Investment Allowance Reserve	27	—
Transfer from Debenture Redemption Reserve	45	51
Net Profit available for appropriation	300	176
Appropriations		
Transfer to Capital Redemption Reserve	200	—
Interim dividend on Preference Shares	63	—
Tax on dividend	7	—
Balance after appropriation	30	176

Sales, Rental and Other Services for 1998-99 and the Operating Loss thereon, are not comparable with 1997-98 because the former includes results for the SES business only for a period of 3 months.

Miscellaneous and other income of Rs. 1500 lakhs include dividend income from Zensar Technologies Limited, a subsidiary company, Rs. 636.67 lakhs, old credit balances written back Rs. 625.53 lakhs and interest income of Rs. 98.80 lakhs on deposits with banks and statutory authorities.

2. SALE OF SYSTEMS AND ENGINEERING SERVICES (SES) BUSINESS

The Company's SES business was sold, as a going concern to Accel Limited on 11th October 1999, but with effect from 1st January, 1999, for a total purchase consideration, payable in cash of Rs. 11.34 crores. In addition to this, Accel have taken over the Company's liabilities under various leasing agreements relating to equipment rented out to customers.

3. RESTRUCTURING PROGRAMME

With the completion of all formalities relating to the sale of the SES business and the recent disposal of the balance land at Pune, the Company has successfully completed the Restructuring Plan initiated in 1996. Thus, the strategic objectives of this Plan have been realised in full and the Company is now only a holding company for its shareholding in Zensar Technologies Limited.

FUJITSU ICIM LIMITED**4. SUBSIDIARY COMPANIES**

The names of the subsidiary Companies, International Computers (India) Limited, ICIM International Inc. and ICIL Singapore Pte. Ltd. have been changed to Zensar Technologies Limited, Zensar Technologies Inc. and Zensar Technologies (Singapore) Pte. Ltd. respectively.

The Company's subsidiary, ICIM Systems and Engineering Services Limited has now been acquired by Zensar Technologies Limited.

5. PARTICULARS OF EMPLOYEES

The information required under sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended 30th September, 1999 is given in the Annexure to this Report.

6. PREFERENCE SHARE CAPITAL

From the profits for the year the Company has transferred Rs. 200 lakhs to a Capital Redemption Reserve Account from which the Company proposes to redeem the 1st and 2nd instalments of its Preference Shares aggregating Rs. 133.34 lakhs.

7. DIVIDEND

Due to inadequacy of profits, your Directors do not propose any dividend on the Equity Shares for the year ended 30th September, 1999. Your Directors have, however, recommended the payment of interim dividends in respect of the Cumulative Redeemable Preference Shares for the year ended 31st March 1995 and for the year ended 31st March 1996 amounting to Rs. 31.03 lakhs and Rs. 32.00 lakhs respectively. In view of the recommendation for interim dividends of Rs. 31.03 lakhs and Rs. 32.00 lakhs on the Cumulative Redeemable Preference Shares being paid, no final dividend is recommended.

8. AUDITORS' OBSERVATIONS

The observations of the Auditors as referred to in the Auditor's Report are suitably explained in the Notes to the Accounts.

9. FIXED DEPOSITS

The total amount of Fixed Deposits outstanding and unclaimed as on 30th September, 1999 was Rs. 1.78 lakhs. The Company has repaid all Fixed Deposits that have matured and have been claimed by Depositors.

10. DIRECTORS

Mr. D. G. Piramal resigned as Director with effect from 23rd June, 1999.

Mr. G. L. Mirchandani resigned as Director with effect from 23rd June, 1999.

Dr. Kamal K. Sharma was appointed in the casual vacancy arising from the resignation of Mr. D. G. Piramal in the Board Meeting held on 23rd June 1999.

Mr. P. Rajagopalan was appointed in the casual vacancy arising from the resignation of Mr. G. L. Mirchandani in the Board Meeting held on 23rd June 1999.

The Directors would like to place on record their appreciation of the services rendered by Mr. D. G. Piramal and Mr. G. L. Mirchandani during their tenure as Directors.

Mr. A. T. Vaswani, Mr. P. K. Choksey, Mr. N. J. Roach and Mr. R. M. Hacking retire at the ensuing Annual General Meeting and are eligible for re-appointment.

FUJITSU ICIM LIMITED

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure to the Report.

12. Y2K COMPLIANCE

Consequent upon the sale of the Systems & Engineering Services (SES) business in October, 1999, to Accel ICIM Limited, all the Company's internal IT Systems (Hardware & Software), at the various operating locations have been transferred to Accel ICIM Limited. However, certain IT Systems (Hardware & Software), have been retained by the Company at its Corporate Office in Mumbai, for the purpose of maintaining of the Company's financial, commercial and accounting records and all such systems are Y2K compliant.

The cost of the Y2K compliance exercise undertaken by the Company is not material.

13. AUDITORS

The Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, Mumbai, retire and are eligible for reappointment.

14. ACKNOWLEDGEMENTS

The Directors wish to thank all business associates and employees who have seen the Company through a very difficult period.

On behalf of the Board,

H. V. GOENKA

CHAIRMAN

Mumbai, 4th May, 2000



FUJITSU ICIM LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 1999

Sr. No.	Name	Designation	Remuneration Rs.	Qualification	Exp. Yrs	Date of Joining	Age Years	Details of Previous Employment Designation Organisation
1	Beriwal M.R.	Vice President - Finance	1067636	B.Com. (Hons), A.C.A.	25	23/04/97	46	Vice President - Finance Q.S.S. Color Processors Pvt.Ltd.
2 #	Biddappa N.A.	Area Service Manager	668177	B.Sc., A.M.I.E.	29	02/04/70	54	N.A. N.A.
3 #	Chand Puran	Executive Administration	314475	Passed Std. 8th	30	19/01/79	53	Carpenter Delhi Municipal Corporation
4 #	Chandran R.	Country Manager & Head of Sales & Mktg.	1182012	B.Sc., L.Tech.& App. Chem, DIP O&M, FDSM.	27	02/08/82	49	Regional Sales Manager DCM Data Products
5 #	D'Souza P. J.	Sr. C. S. Engineer	696347	S S C	32	20/09/96	52	N.A. N.A.
6 #	Devarajan S.	Network Engineer	402552	Dip. Mech. Engg. D.E.E.	37	04/08/61	58	N.A. N.A.
7 #	Dr. Naik A.	G.M. - (HRD)	224476	M.A. P.hd.	16	12/06/95	45	Corp. Manager - HR OMC Computers Ltd.
8 #	Joshi A R	Manager Channel Support	763206	ISC (Radio Servicing)	34	02/02/67	52	Radio Mechanic G. J. Ghaisas & Co.
9 #	Keikar R. A.	Executive Finance	508256	B.A. (Spl.) Part - I	33	02/02/67	54	Clerk Cum Typist M.S.E.B.
10	Kohli R.	President - Sys. & Ser. Ops.	2286490	B.Tech. (Mech. Engg.), PGDBA.	27	03/05/95	51	Exec.Director - Prods. Divn. Modi Olivetti Ltd.
11 #	Lagvankar A G	Sr. Mgr - Product Quality	863984	Dip Mech Engg	35	10/06/64	56	Engineer Indian Hume Pipe Co. Ltd.
12 #	Machave P. B.	Manager Production	826716	S.S.C.	35	14/07/64	55	N.A. N.A.
13 #	Mohanraj Lawrence	Regional Sales Manager	448555	B.Sc.	13	15/02/89	37	Faculty Ewatts Computers Centre
14 #	Mukhopadhyaya B.D. Channel Manager		740676	L.E.E., A.N.I.E.	33	01/04/68	55	N.A. N.A.
15	Panduranga C.	GM. -Technical	887698	B.E. (Mech.), MSC. Engg.	32	21/08/78	56	Sr.Engg (dvp of comp & prh) BEL
16 #	Pathak V J	Sr. Manager - Purchase	1020361	B.E. (Mech),DBM, MMS	32	05/10/73	54	Graduate Trainee Engineer Int. Tractor Co. (I) Limited
17 #	Rao R.S.P.	General Manager - ESD.	260478	B.Sc., DMIT.(Electronics)	34	21/10/66	55	Trainee I.T.I. Limited, Bangalore
18 #	Sachin Dabir	Area Services Manager	173275	B.E.	8	02/01/96	30	Assistant Manager Marketing Aswam Infotech P. Ltd.
19 #	Xavier T.A.	Executive Administration	298804	S.S.L.C.	39	11/8/66	58	Personnel Assistant Bharat Carbons Limited

NOTES:

- All appointments are/were contractual and terminable by notice on either side.
- The employment is subject to the rules and regulations of the Company in force from time to time.
- None of the above employees is related to any Director of the Company. None of the employees holds more than 2% of the paid-up equity capital in the Company.
- Remuneration as shown above includes Salary and Allowances, Bonus, Superannuation, Overtime, Retirement Benefits, Voluntary Retirement Compensation (including Gratuity), Sales Incentives, Leave Encashment, Medical Reimbursement, Company's contribution to Provident, Pension and Gratuity Funds, Perquisite value as per Income tax Rules where applicable.
- # Before the name indicates employees who have left the Company during the financial year.

On Behalf of the Board of Directors

H. V. GOENKA
Chairman

Mumbai, 4th May, 2000

FUJITSU ICIM LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT

CONSERVATION OF ENERGY

During the year, with the close monitoring of consumption at all offices and warehouses with proven conservation methods, it was possible to maintain energy consumption at the bare minimum level required to support the Company's operations.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company was maintaining an in-house Research & Development Unit which had valid recognition from Department of Science and Technology upto March 1999. However, on closure of Manufacturing Operations in 1996-97, the Research and Development Unit was also closed.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with regard to Foreign Exchange Earnings and Outgo appear in Schedule 23 (items 33 & 34) of the Annual Report and Accounts.

On behalf of the Board,

H. V. GOENKA

CHAIRMAN

Mumbai, 4th May, 2000

