

ALLSOFT CORPORATION LIMITED**ALLSOFT CORPORATION LIMITED**
9th ANNUAL REPORT**BOARD OF DIRECTORS :**

1. SRI R.S.RATHORE	CHAIRMAN
2. SRI T.S.KOHLI	MANAGING DIRECTOR
3. SRI J.S.ANAND	DIRECTOR
4. SRI E.V.P.S.KRISHNA	DIRECTOR
5. SRI A.V.SRINIVASA RAO	DIRECTOR
6. SRI PRADEEP SUDHAKAR JOSHI	DIRECTOR

REGISTERED OFFICE

No 126, III rd Floor,
Jade Arcade, Paradise Circle,
M.G.Road, Secunderabad - 500 003.
Tel. No : 7721476 & 7721496
e-Mail : info@allsoft-india.Com

AUDITORS

Sri C.MARUTINAGENDRAM
Chartered Accountant
1-1-298/2/B/3, I st Floor
Sowbhagya Avenue, Street No.1,
Ashok Nager, Hyderabad-20

BANKERS

PUNJAB & SIND BANK
GLOBAL TRUST BANK

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Certified True Copy
For ALLSOFT CORPORATION LTD
[Signature]
Director

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ALLSOFT CORPORATION LIMITED**NOTICE**

NOTICE is hereby given that the NINTH GENERAL MEETING of the Company will be held on Saturday the 30th day of September, 2000 at the ~~HOTEL DECCAN EMBROIDERIES~~ Secunderabad - 500 003 at 11.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Directors Report, Auditors Report, Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2000.
2. To sanction the declaration of Dividend on Equity Shares for the year ended 31st March, 2000
3. To appoint a Director in place of Shri E.V.P.S.KRISHNA, who retires by rotation and being eligible offers himself for re-appointment.
4. To Consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the retiring Auditor, Sri C.Maruti Nagendram, Chartered Accountant, who being eligible, have offered himself for re-appointment, be and hereby re-appointed as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Board of Directors of the Company and the auditors."

SPECIAL BUSINESS:

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

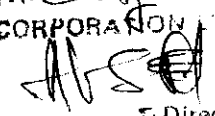
"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 3 as 3.1

FURTHER ISSUE OF SHARES:

1. Where at any 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:

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For ALLSOFT CORPORATION LTD.

Director

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- 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 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.
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.
3. Nothing in sub-clause (c) of (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.

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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 debenture 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 loan 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.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 4 as 4.1

SHARES AT THE DISPOSAL OF THE DIRECTORS:

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or

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right to call of shares shall not given to any person or persons without the sanction of the company in the General Meeting.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 15.5 as 15.6

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES:

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 Director 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 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 and 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 bound 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.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 15.6 as 15.7

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED:

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

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destroyed then upon proof thereof to satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, an a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles 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 mutates mutandis apply to debentures of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 48 as 48.1

TRANSFER OF SECURITIES:

The provisions of Section 111 of the Companies Act, 1956, regarding powers to refuse Registration of Transfer and appeal against such refusal should be adhered to. Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

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The following definitions shall be added and included in the Articles of the Association after Item 48.1 as 48.2

INSTRUMENT OF TRANSFER:

The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 48.2 as 48.3

NO FEE ON TRANSFER OR TRANSMISSION:

No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 22 as 22.1

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST:

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

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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 mutates mutandis apply to the calls on debentures of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 36 as 36.1

COMPANY'S LIEN ON SHARE/DEBENTURES:

The Company shall have a first and paramount lien upon all the shares/ debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/ debentures and no equitable interest in any share shall be created except upon the footing and conditions that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors a may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 53 as 53.1

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TERM OF ISSUE OF DEBENTURE:

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

- 15.** To Consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below.

The following definitions shall be added and included in the Articles of the Association after Item 168 as 168.1

UNPAID OR UNCLAIMED DIVIDEND:

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of "ALLSOFT CORPORAATION LIMITED" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of five years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government. A claim to any money so transferred to the above fund may be preferred to the Central Government / Committee appointed by the Central Government by the shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board.

- 16.** To Consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri J.S.Anand, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature