

14th Annual Report 2004 - 2005



Allsoft
CORPORATION LIMITED

ALLSOFT CORPORATION LIMITED

ALLSOFT CORPORATION LTD

14th ANNUAL REPORT

BOARD OF DIRECTORS

1. SRI.WILLIAMS TEMPLE N	EXECUTIVE DIRECTOR
2. SRI.ANAND PENUMETCHA	DIRECTOR (OPERATIONS)
3. SRI.I.RAJA BABU	DIRECTOR
4. SRI.S E SHYAM SUNDAR	DIRECTOR
5. SRI.N.ANIL KUMAR	DIRECTOR
6. SRI.KAMALAKAR RAO	DIRECTOR

REGISTERED & CORPORATE OFFICE

4, Eden Gardens,
Road No.1, Banjara Hills,
Hyderabad - 500034.
Tel No : +91-40-23355315
www.allsoft.in

AUDITORS

Sri.C.Maruti Nagendram
Chartered Accountant
1-1-298/2/B/3, 1st Floor,
Sowbhagya Avenue, Street No.1,
Ashok Nagar, Hyderabad - 500020

REGISTERS AND SHARE TRANSFER AGENTS

M/s.CIL Securities Ltd.,
2nd Floor, Ragavaratna Towers,
Abids, Hyderabad-500 001

BANKERS

Punjab & Sind Bank
UTI Bank Ltd.
Janafa Co-Operative Bank

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ALLSOFT CORPORATION LIMITED**NOTICE**

Notice is hereby given that the 14th Annual General Meeting of the Members will be held on 29th September 2005 at 10.00 A.M. at A.P. State Gallery of Fine Arts, Road No.1, Kavuri Hills, Hyderabad - 500033 to consider the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited profit and loss account for the year ended 31.03.2005 and the Balance Sheet as at the date together with the Report of Auditors and the Report of Board of Directors
2. To appoint a Director in the place of Sri. S.E. Shyam Sundar who retires by rotation and eligible for reappointment
3. To appoint a Director in the place of Sri. I. Raja Babu who retires by rotation and eligible for reappointment.
4. To appoint Auditors and to fix their remuneration

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution to appoint Mr P. Kamalakhar Rao as Director

"RESOLVED THAT Sri. P. Kamalakhar Rao, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act 1956 and held office up to this 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 for the office of the director be and is hereby appointed as Director of the company subject to retirement by rotation under Articles of Association of the Company.

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a special Resolution for Appointment of Mr. Williams Temple Nelapati as Executive Director

"RESOLVED THAT pursuant to Section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any the Companies Act, 1956 Mr. Williams Temple Nelapati, be and is hereby appointed as Whole time Director Designated as Executive Director, with effect from 18.06.2005 for a period of 2 years on the following terms and conditions."

- I. Salary (Basic) Rs.15,000/- P.M
- II. Perquisites : In addition to salary Mr. Williams Temple Nelapati is entitled to the following perquisites, classified into these categories

Category (A)

1. Housing
Rent free furnished accommodation of value not exceeding @60% of the salary
2. Transport and other allowance
Not to exceed 40% of the Basic Salary
3. Medical Reimbursement
One month basic salary per annum for self and family
4. Leave Travel Concession
For self and family, value not exceeding one-month basic salary per annum

Explanation :

Family means for the purpose of the above, Spouse, dependant children and dependant parents.

ALLSOFT CORPORATION LIMITED**Category (B)**

1. Company's contribution for Provident Fund, Superannuating Fund, Annuity Fund to the extent not taxable either singly or put together as per Income Tax Act 1961
 2. Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of service and
 3. Re-imbursement of fuel for local conveyance at actuals for use on company's business limited to Rs.5000/- per month and mobile telephone bill reimbursement (if not company provided)
7. To consider and If thought fit, to pass with or without modifications, the following resolution as a special Resolution for Appointment of Mr. Anand Penumetcha as Director (Operations).

"RESOLVED THAT subject to approval of the shareholders, pursuant to Section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any the Companies Act, 1956 Mr Anand Penumetcha, be and is hereby appointed as Whole Time Director Designated as Director (Operations), with effect from 18.06.2005 for a period of 2 years on the following terms and conditions."

- I. Salary (Basic) Rs.15,000/- P.M
- II. Perquisites : In addition to salary Mr. Anand Penumetcha is entitled to the following perquisites, classified into these categories

Category (A)

1. Housing
Rent free furnished accommodation of value not exceeding @60% of the salary
2. Transport and other allowance
Not to exceed 40% of the Basic Salary
3. Medical Reimbursement
One month basic salary per annum for self and family
4. Leave Travel Concession
For self and family, value not exceeding one-month basic salary per annum

Explanation :

Family means for the purpose of the above the Spouse, dependant children and dependant parents.

Category (B)

1. Company's contribution for Provident Fund, Superannuating Fund, Annuity Fund to the extent not taxable either singly or put together as per Income Tax Act 1961
2. Gratuity is payable at a rate not exceeding Half Month Salary for each completed year of service and
3. Re-imbursement of fuel for local conveyance at actuals for use on company's business limited to Rs.5000/- per month and mobile telephone bill reimbursement (if not company provided)

By order of the Board of Directors

Sd/-

Place : Hyderabad
Date : 29th August 2005

Williams Temple Nelapati
Executive Director

ALLSOFT CORPORATION LIMITED

Notes :-

1. A MEMBER ENTITLED TO ATTEND AND 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 INSTRUMENT OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THEN 48 HOURS BEFORE THE TIME OF HOLDING THE AFORESAID MEETING
2. The register of members and share transfer books will remain closed from Tuesday the 27th September 2005 to 29th September 2005 (Both days inclusive)
3. Members are requested to notify the company at the registered office of any change in addresses quoting their folio numbers
4. Members desiring any information on Accounts are requested to notify the company 7 days before the Meeting to make availability of information.

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

Item No.5

The Board of Directors of the company appointed Sri.P. Kamalakar Rao as Additional Director of the company under section 260 of the Companies Act, 1956. He holds office upto the conclusion of this annual general meeting. Notice under section 257 of the Companies Act 1956 along with the requisite deposit of Rs 500 has been received from a member of the company proposing him to be appointed as Director of the company.

Item No 6

Shri.Williams Temple Nelapati was appointed as Whole Time Director designated as Executive Director of the Company with effect from 18th June 2005 for a period of Two years and pay remuneration considering his contribution for the growth of the operations of the Company. According to the provisions of the Companies Act approval of the shareholders is required for re-appointment of Managing Director and payment of remuneration. Hence the above resolution is proposed for your approval for his appointment and your Directors recommended the passing of the above resolution.

None of the Directors except Sri.Williams Temple Nelapati are deemed to be concerned or interested in the above resolution.

Item No 7

Shri.Anand Penumetcha was appointed as Director (Operations) of the Company with effect from 18th June 2005 for a period of Two years and pay remuneration considering his contribution for the growth of the operations of the Company. According to the provisions of the Companies Act approval of the shareholders is required for re-appointment of Managing Director and payment of remuneration. Hence the above resolution is proposed for your approval for his appointment and your Directors recommended the passing of the above resolution.

None of the Directors except Sri.Anand Penumetcha are deemed to be concerned or interested in the above resolution.

By order of the Board of Directors

Sd/-

Place : Hyderabad
Date : 29th August 2005

Williams Temple Nelapati
Executive Director

ALLSOFT CORPORATION LIMITED

**ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER
THE LISTING AGREEMENT**

As required under the Listing Agreement, the particulars of Directors, who are proposed to be appointed/ reappointed are given below :

1.	Name	: Sri.Williams Temple N
	Age	: 39
	Qualifications	: BTech, MBA
	Experience	: 17 years
	Other Directorships	: Nil
2.	Name	: Sri.P.Anand Penumetcha
	Age	: 40
	Qualifications	: MBA
	Experience	: 18 years
	Other Directorships	: Nil
3	Name	: Sri.N.Anil Kumar
	Age	: 39
	Qualifications	: Post Graduate
	Experience	: 16 years
	Other Directorships	: 1
4	Name	: S.E.Shyam Sundar
	Age	: 38
	Qualifications	: Graduate
	Experience	: 10 years
	Other Directorships	: Nil
5	Name	: I.Raja Babu
	Age	: 35
	Qualifications	: Graduate
	Experience	: 8 years
	Other Directorships	: 1
6	Name	: P.Kamalakar Rao
	Age	: 51
	Qualifications	: B.Com, FCA
	Experience	: 27 years
	Other Directorships	: Nil

For and on behalf of the Board

Sd/-

Place : Hyderabad
Date : 29th August 2005

Williams Temple Nelapati
Executive Director

ALLSOFT CORPORATION LIMITED

DIRECTORS REPORT

To

The Members

Your directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Financial statement for the year ended 31-03-2005.

Financial Results

Particulars	Rs. In lakhs	
	2004-2005	2003-2004
Gross Income	42.82	33.36
Expenditure	53.16	22.98
Gross Profit Before Depreciation	(10.34)	10.38
Depreciation	30.35	26.77
Loss/ Profit for the year before tax	(40.69)	(16.39)
Provision for tax	0	0
Profit after tax	(40.69)	(16.39)
Profit brought forward	12.47	28.85
Prior Period expenses	12.56	0
Profit carried forward to Balance Sheet	(40.79)	12.47

Performance

The company has earned the income of Rs. 42.82 lakhs during the year against previous year income of Rs. 33.36 lakhs. Your company has sustained the worst possible recession of the software industry.

Management Discussions and Analysis Report

Pursuant to Clause 49 of the Listing Agreement, a Management Analysis Report is given in the Annexure B.

Particulars of Employees

In pursuance of the provision of section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules 1975, the Directors are to report that no employee was in receipt of remuneration in excess of the amount prescribed in the provisions of Section 217(2A) the Companies Act, 1956.

Current Year Outlook

Current year outlook has explained in detail in Management Discussion and Analysis report, which forms part of this Annual Report.

Directors

Sri.S.E.Sham Sundar and Sri.I.Raja Babu Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Board of Directors of the Company appointed Mr.P.Kamalakar Rao, Chartered Accountants is one of the Directors and he holds office upto conclusion of this Annual General Meeting.

ADDITIONAL INFORMATION AS REQUIRED U/S 217(1)(E) OF THE COMPANIES ACT, 1956

A) Conservation of Energy

The company is monitoring the consumption of energy and is identifying measures for saving energy

B) Technology absorption

No technology either indigenous or foreign is involved

C) Research and Development

No research and development has been carried out during the year.

D) Foreign Exchange earnings is Rs Nil and outgo is Nil

DEPOSITS

The company has not accepted any deposits during the year.

AUDITORS

Sri. C Maruti Nagendram, Chartered Accountants, the present Auditors of the company hold office until the conclusion of this Annual General Meeting of the Company. They have indicated their availability for re-appointment pursuant to Section 224 (1B) of the Companies Act, 1956.

CORPORATE GOVERNANCE

In order to bring more transparency in the conduct of business, the Stock Exchanges have amended the listing agreement incorporating the code of corporate governance to listed companies. Your company has always been committed to the best practices in the governance of its affairs. Your company had taken steps and complied with most of the recommendations during the year. For the year under review, the Compliance Report is provided in the Corporate Governance section in this Report. The Auditor's Certificate on compliance with the mandatory requirements of corporate governance is given in Annexure – A to this Report.

DIRECTORS RESPONSIBILITY STATEMENT

The Board submits as under:

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss account of the company for that period
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the Directors had prepared the annual accounts on a going concern basis.

ALLSOFT CORPORATION LIMITED**Listing**

Your Management initiated to revoke the suspension of trading of shares of the company at Mumbai Stock Exchange & Hyderabad Stock Exchange. Pursuant resolution passed by the shareholders at their 13th Annual General Meeting. Management has initiated to delist the securities from Madras, Ahmedabad and Pune Stock Exchanges.

Acknowledgement

Your Directors place on record the appreciation for the sincere efforts and active involvement of employees at various levels of the company in its operations. The Directors also place on record the appreciation for the support received from Banks and Other Government Agencies.

The Directors express gratitude to the shareholders of the company for the confidence reposed in the management.

By order of the Board of Directors

Sd/-

Sd/-

Place : Hyderabad

Anand Penumetcha
Director(Operations)

Williams Temple Nelapati
Executive Director

Date :29th August 2005

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ALLSOFT CORPORATION LIMITED

Annexure A - Directors' Report & Corporate Governance

Compliance report on Corporate Governance as per clause 49 of the listing agreement

1. Company's Objective on Corporate Governance

Your company is committed to good Corporate Governance in compliance to the prescribed standards. As the objective of Corporate Governance is the enhancement of value and protecting the interests of shareholder, your Company aimed at assisting the management in efficient conduct of the business of the Company and in meeting its obligations to shareholders and others.

2. Board of Directors**a) Composition of the Board**

The Company's Board consists of 6 Directors all of whom are independent & non-executive.

b) Attendance of each Director at Board Meetings and the last Annual General Meeting (AGM)**c) Number of Board Meetings held during the financial year and the dates of the Board Meetings.**

Five Board Meetings were held during the financial year 2004-2005. The time gap between any two Board Meetings did not exceed by more than four months. The dates are 30.04.04, 25.07.04, 30.10.04, 31.01.05 and 30.04.05

S. No.	Name of the Director	Category of Directorship	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the last AGM
1.	Mr. Williams Temple Nelapati	Executive Director	5	5	Yes
2.	Mr. Anand Penumetcha	Director (operations)	5	4	Yes
3.	Mr. P. Kamalakar Rao	Independent Director	5	0	No
4.	Mr. S. E. Sham Sundar	Independent Director	5	2	Yes
5.	Mr. I. Raja Babu	Independent Director	5	2	No
6.	Mr. N. Anil Kumar	Independent Director	5	2	Yes

Number of Boards/ Board Committee each Director (being a Director of the Company as at the end of the financial year) is a Director/ Chairman of :

S. No.	Name of the Director	No. of other Companies in which Director	No. of Committees (other than those constituted by the Company in which Member/ Chairman
1	Mr. Williams Temple Nelapati	Nil	Nil
2	Mr. Anand Penumetcha	Nil	Nil
3	Mr. P. Kamalakar Rao	Nil	Nil
4	Mr. S. E. Sham Sundar	1	Nil
5	Mr. I. Raja Babu	1	Nil
6.	Mr. N. Anil Kumar	2	Nil