

# 16th Annual Report

## 2006-2007



*Allsoft*

CORPORATION LIMITED

# ALL SOFT CORPORATION LIMITED

## 16<sup>th</sup> Annual Report

### 2006-07

Mr. Williams Temple  
Mr. Anand Penumetcha  
Mr. I. Raja Babu  
Mr. S E Sham Sunder  
Mr. N Anil Kumar  
Mr. P Kamalakar Rao  
Mr. Ajay Chauhan

Executive Director  
Director (Operations)  
Director  
Director  
Director  
Director  
Additional Director (w.e.f. 30-04-07)

**Registered office:**

94, S D Road, Minerva Complex,  
Secunderabad – 500 003.

**Auditors:**

Mr. Maruti Nagendram, Chartered Accountant  
1-1-298/2B/3, 1<sup>st</sup> Floor,  
Sowbhagya Avenue, Street No.: 1  
Ashoknagar, Hyderabad – 500 020.

**Registrars & Share Transfers Agents**

M/s. CIL Securities Ltd.,  
2<sup>nd</sup> Floor, Raghava Ratna Towers,  
Abids, Hyderabad – 500 001.

**Bankers**

UTI Bank Ltd, Greenlands, Hyderabad  
UCO Bank, S D Road, Secunderabad  
UCO Bank, M G Road Secunderabad

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## ALLSOFT CORPORATION LIMITED

NOTICE

Notice is hereby given that 16<sup>th</sup> Annual General Meeting of M/s ALLSOFT CORPORATION LIMITED will be held at 91, Bhuwana Towers, S D Road, Secunderabad - 03 at 03.30 P.M on Saturday, the 29<sup>th</sup> day of September 2007 to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit & Loss Account for the year Ended 31<sup>st</sup> March, 2007 and the Balance Sheet as 31<sup>st</sup> March, 2007 together with the Report of auditors and the report of Board of Directors.
2. To appoint at Directors in the place of Mr. I. Raja Babu, who retires by Rotation and being eligible, offer himself for reappointment.
3. To appointment a director in the place of Mr. S E Sham Sunder who retires by rotation and being eligible, offer himself for reappointment.
4. To appoint Auditors and to fix their remuneration by passing the following Resolution:-  
"RESOLVED THAT Mr. C. Maruti Nagendram, Chartered Accountants, Hyderabad be and are hereby appointed as auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting of the company at a remuneration to be fixed by the Board of Directors."

**SPECIAL BUSINESS:****ITEM NO.: 1**

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Ajay Chauhan, Who was appointed as an Additional Director of the company by the Board of Directors at their meeting held on 30<sup>th</sup> April 2007 and who holds the office under section 260 of the Companies Act, 1956 until the date of the Annual General Meeting and in respect of who the company has received a notice in writing proposing his candidature for the office of the director under 257 of the Companies Act, 1956 along with the requisite deposit, be and is hereby appointed as director of the company liable to retire by rotation."

**ITEM NO.: 2**

"RESOLVED that pursuant to the provisions of section 198,269,309 read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 (as amended from time to time) to the said act, consent of the company, be and is hereby accorded for the appointment of Mr. Ajay Chauhan as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> September 2007 without any Remuneration."

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to take all such steps as may be considered necessary, proper or expedient in order to give effect to the above resolution."

By Order of the Board of Directors

Sd/-

Place: Hyderabad  
Date: 16<sup>th</sup> August, 2007

(Ajay Chauhan)  
Managing Director

## Notes:

1. An Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 In respect of special Business:

**ITEM NO.: 1 & 2**

Mr. Ajay Chauhan has been appointed as an Additional Director in the company vide Board Meeting dated 30<sup>th</sup> April, 2007. He has vast experience & good knowledge in the Corporate Affairs and also has good Administrative abilities. In view of this based on the recommendation of Remuneration Committee, Your Directors appointed him as Managing Director subject to approval of the shareholders and Central Government w.e.f. 1<sup>st</sup> September, 2007 on the terms and conditions as mentioned in the resolution for a period of five years.

2. 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. PROXIES DULY STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain Closed from 26/09/2007 to 29/09/2007 (Both Days Inclusive) to ascertain the list of members for 16<sup>th</sup> Annual General Meeting.
4. The attendance slip is annexed to the proxy form, Members /proxies are requested to duly fill in and affix their signatures at the space provided therein and hand over the same at the entrance of the place of the meeting.
5. Members desiring any information accounts are requested to write to the company at least seven days before the meeting so as to enable company to keep the information ready and the Members/proxies are requested to bring the copies of the Annual Report to the Meeting and the same will not be distributed at the Meeting.

**ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED  
AS PER THE LISTING AGREEMENT**

As required under the listing Agreement, the particulars of Directors, who are proposed to be appointed /re-appointed, are given below:

1.	Name Age Qualification Experience Other Directorships	<b>Mr. I. Raja Babu</b> 39 B.E.(Mech) 15 -
2.	Name Age Qualification Experience Other Directorships	<b>Mr. S E Sham Sunder</b> 38 Graduate 15 Yrs 0
3.	Name Age Qualification Experience Other Directorships	<b>Mr. Ajay Chauhan</b> 38 Graduate 15 Yrs 1

By Order of the Board of Directors

Sd/-

(Ajay Chauhan)  
Managing Director

Place: Hyderabad  
Date: 16<sup>th</sup> August, 2007

**DIRECTOR'S REPORT**

Your Directors have pleasure in presenting the 16<sup>th</sup> Annual Report on the business of your company and the Audited Statements of Accounts for the Year ended on 31<sup>st</sup> March, 2007 thereof. The Business and Operations of the company over the last fiscal year are briefly encapsulated below:

**FINANCIAL RESULTS**

Particulars	Rupees in Lakhs	
	Year Ended 31/03/2007	Previous ended On 31/03/2006
Gross Income	6.99	101.29
Expenditure	9.37	167.36
Gross Profit before Depreciation	(2.38)	(66.07)
Depreciation	10.73	30.35
Provision for Bad Debts	-	321.68
Provision for Taxes	0.03	0.38
Prior Period Adjustment	-	-
Profit/Loss after Tax	(13.14)	(418.48)
Add: Profit/Loss brought forward from last year	(459.40)	(40.92)
Balance carried forward to Balance Sheet	(472.55)	(459.40)

**BUSINESS PERFORMANCE REVIEW**

The Company has put efforts to tap the business of education and training activity, has not given the fruitful results; as such the same has been discontinued with effect from 31<sup>st</sup> December, 2006.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Current year out look was explained in details in the management Discussion and Analysis report, which forms part of the Annual Report is given in Annexure – B

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

**Conservation of Energy and Technology Absorption**

The Company is not engaged in manufacturing activities, and as such the particulars relating to conservation of energy and technology absorption are not applicable. The Company makes every effort to conserve energy as far as possible in its editing facilities, Production Floors, office etc.

**FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:** **NIL**

**PARTICULARS OF EMPLOYEE'S REMUNERATION AND INDUSTRIAL RELATIONS**

There are no employees whose particulars, pursuant to Section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules, 1975, are to be disclosed. Industrial relations in the company were very cordial and stable.

**PUBLIC DEPOSITS**

Your company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on 31<sup>st</sup> March 2007.

**DIRECTORS**

Mr. I Raja Babu and Mr. Sham Sunder Directors of the Company retire by rotation and being eligible and offered themselves for reappointment. During the year Mr. Ajay Chauhan was appointed as Additional Director in the Board Meeting held on 30<sup>th</sup> April 2007. The board of directors recommends his appointment as Director liable to retire by rotation at the ensuing Annual General Meeting.

Board of Directors based on the recommendation of remuneration committee appointed Mr. Ajay Chauhan as Managing Director subject to the approval of share holders, your Directors recommend to appoint him as Managing Director.

**AUDITORS**

Mr. C. Maruti Nagendram, Chartered Accountants retire at the conclusion of the Annual General Meeting and are eligible for re-appointment. The Board recommends the appointment of the C. Maruti Nagendram, Chartered Accountants as Auditors for the year 2007-2008 on remuneration to be fixed by the Board of Directors.

**CORPORATE GOVERNANCE**

Pursuant to clause 49 of the Listing Agreement executed with the stock exchange the company has complied with all the provisions of the corporate governance. A certificate from the Auditors of the company regarding compliance of conditions of corporate Governance is attached to this report. The detailed note in this regard is provided in this annual report in Annexure –A.

**TRADING OF SECURITIES AT STOCK EXCHANGES**

Your management has pursuing to revoke the suspension of Trading of shares of the company at Mumbai Stock Exchange.

**HUMAN RESOURCE**

The Board of Directors would like to place on record its deep appreciation to all the employees for their dedicated services to the company. Our organizational culture and work environment is central to our ability to complete effectively. Management is in the process of identifying to appoint a suitable candidate as company Secretary, and to comply the provisions of listing agreement and companies Act, 1956.

**DIRECTORS RESPONSIBILITY STATEMENT**

We the directors confirm.

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b. That we have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as 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 of the company for that period.
- c. That we have taken proper and sufficient care for the maintenance of adequate of Adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting Fraud and other irregularities.
- d. That we have prepared the annual accounts on a Going concern basis.

**ACKNOWLEDGEMENTS**

Your Directors take this opportunity to express their thanks to various departments of central and State Governments, financial institutions, Banks, the Suppliers, Customers and Shareholders of the Company for their continued assistance, support and guidance.

By Order of the Board of Directors

Sd/-

Place: Hyderabad  
Date: 16<sup>th</sup> August, 2007

(Ajay Chauhan)  
Managing Director

**ANNEXURE – 'A' REPORT ON CORPORATE GOVERNANCE**

**ALLSOFT CORPORATION LIMITED** is committed to the standards of corporate governance in all activities.

Pursuant to clause 49 of the Listing Agreement, your directors present below a detailed report on Corporate Governance

**1. Company's Philosophy on code of Governance**

Your company believes in providing highest transparency and ethical value in corporate Governance. Your Company also believes in taking into confidence all the stakeholders viz. Shareholders, Employees, Creditors, Customers etc. Your company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the company synchronize and synergize their efforts in their growth of their company.

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

The Number of the directors is 7 with 3 Executive and 4 Non Executive Directors. The Executive Directors is from the promoter category and the remaining Non-Executive Directors are independent. The independent Directors are drawn from persons with experience in Business, Finance, Management, Marketing and Industry.

**b. Other Directorship / Committee Membership held:-**

S. NO	Name of the Director	Category of Directorship	Directorship held in Other Companies	
			Director	Committee Member
1.	Mr. Ajay Chauhan	Managing Director	1	Nil
2.	Mr. William Temple Nelapati	Executive Director	Nil	Nil
3.	Mr. Anand Penumetcha	Director (Operations)	Nil	Nil
4.	Mr. I. Raja Babu	Independent Director	1	Nil
5.	Mr. S E Sham Sunder	Independent Director	1	Nil
6.	Mr. N. Anil Kumar	Independent Director	1	Nil
7.	Mr. P. Kamalakar Rao	Independent Director	Nil	Nil

**c. Board Meetings held During the Year**

S. No	Date of Board Meeting
1	29/04/2006
2	30/06/2006
3	31/07/2006
4	31/10/2006
5	31/01/2007

**d. Attendance of Directors at Board Meetings and Last Annual General Meeting:**

Name of the Director	No. Of Board Meetings Attendance	Attended At Last AGM
Mr. Williams Temple Nelapati	3	Yes
Mr. Anand Penumetcha	2	Yes
Mr. I. Raja Babu	3	No
Mr. S E Sham Sundar	4	No
Mr. N. Anil Kumar	0	No
Mr. P. Kamalakar Rao	3	Yes

**3. Audit Committee****a) Terms of Reference**

The Audit Committee Provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit Committee acts as a link between the Management, statutory Auditors, Internal Auditors, and the Board of Directors. The composition, powers and functions of the Audit committee meet the requirements of the Listing Agreement and Section 292 A of the Companies Act, 1956. The Board terms of reference of the Audit committee are to review with the Management and/or Internal Auditors and/or Statutory Auditors in the following areas.

- i. Overview of Company's financial reporting process and financial disclosures
- ii. Review with Management, external and internal audits, the adequacy of internal control system.
- iii. Review the adequacy and effectiveness of accounting and financial control of the company, compliance with the company's policies and applicable laws and regulations.
- iv. Review with the Management, the annual financial statements before submission to the Board.
- v. Recommending the appointment/removal of external and internal auditors, fixation of audit fees.

**b) Composition, names of the members and chairman**

The Audit committee of the Company re-constituted during the year comprises three members; all are "Independent" Non-Executive Directors. Audit Committee constituted as below.

- Mr. P. Kamalakar Rao - Chairman  
 Mr. N. Anil Kumar - Member  
 Mr. S.E. Sham Sunder - Member