

17th Annual Report

2007 - 08



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Allsoft
CORPORATION LIMITED

Board of Directors:

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

Managing Director
 Director (Operations)
 Director
 Director
 Director
 Director
 Additional Director (w.e.f. 31-10-07)

Audit Committee:

Dr. M G G Naidu
 Mr. N. Anil Kumar
 Mr. P. Kamalakar Rao

Chairman
 Member
 Member

Remuneration Committee:

Mr. P. Kamalakar Rao
 Mr. S.E. Sham Sunder
 Mr. Anand Penumetcha

Chairman
 Member
 Member

Shareholders / Investor Grievance Committee:

Mr. P. Kamalakar Rao
 Mr. Williams Temple .N
 Mr. Anand Penumetcha

Chairman
 Member
 Member

Auditors:

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

Bankers:

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

Registered Office:

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

Registrars & Share Transfers Agents:

M/s. CIL Securities Limited
 214, Raghava Ratna Towers, Chirag Ali
 Lane, Abids,
 Hyderabad – 500 001.
 Phone: 040 ÷ 2320 2465 / 3155
 Fax: 040 – 2320 3028

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of the Company, M/s. ALLSOFT CORPORATION LIMITED will be held on Tuesday, the 30th day of September 2008 at 1.30 P.M. at 91, Bhuvana Towers, S D Road, Secunderabad – 500 003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March' 2008, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Williams Temple.N, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Anand Penumetcha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. P. Murali & Co., Chartered Accountants, 6-3-655/2/3, Somajiguda Hyderabad – 500 082, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, in place of Mr. Maruti Nagendram, Chartered Accountants, 1-1-298/2B/3, 1st Floor, Sowbhagya Avenue, Street No.1, Ashoknagar, Hyderabad – 500 020, who expressed his inability to continue as Statuary Auditor of the Company due to his pre-occupation."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the members of the Company and Central Government, if necessary, Mr. I. Raja Babu be and is hereby appointed as Managing Director of the Company with effect from 31st October' 2007 and shall hold the office for a period of three years from the date of appointment.

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

"RESOLVED THAT Dr. M G G Naidu, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 31st October' 2007, pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Shareholder proposing his candidature for the office of the director under Section 257 of the Companies Act, 1956 along with the requisite deposit, be and is hereby appointed as a Director of the Company."

"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/-

I. RAJA BABU

MANAGING DIRECTOR

Place: Secunderabad

Date: 01st September' 2008

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.
2. 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 27.09.2008 to 30.09.2008 (both days inclusive) to ascertain the list of members for 17th 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 on accounts are requested to write to the Company atleast seven days before the meeting so as to enable the 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.
6. Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 is enclosed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956:

ITEM NO: 5

Mr Ajay Chauhan who was the Managing Director of the Company has tendered his resignation vide his letter dated: 31st October' 2007. Keeping in view the aforesaid developments, the Board decided to appoint Mr. I. Raja Babu as the Managing Director of the Company w.e.f 31st October' 2007 to hold office for a term of three years from the date of his appointment subject to the approval of the members of the Company in the General Meeting.

In accordance with the provisions of the Sections 198, 269, 309 and Schedule XIII of the Companies Act, 1956, approval of shareholders is required for his appointment as Managing Director.

ITEM NO: 6

Dr. M G G Naidu has been appointed as an Additional Director of the Company w.e.f. 31st October' 2007 and pursuant to the provisions of Section 260 of the Companies Act, 1956 holds office as a Director upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a Shareholder proposing his candidature for the office of the director under Section 257 of the Companies Act, 1956 along with the requisite deposit proposing him for being elected as Director liable to retire by rotation.

Dr. Naidu has vast experience & good knowledge in the Corporate Affairs and also has good administrative abilities. In view of the above, Dr. Naidu has been appointed as a Director of the Company subject to approval of the shareholders w.e.f. 31st October' 2007.

ALLSOFT CORPORATION LIMITED

**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	Mr. Williams Temple.N 42 B.Tech 10 Nil
2.	Name Age Qualification Experience Other Directorships	Mr. Anand Penumetcha 44 B.Tech 12 Nil
3.	Name Age Qualification Experience Other Directorships	Dr. M G G Naidu 70 years M.Tech. IAS. 35 Nil

By Order of the Board of Directors

Place: Secunderabad
Date: 01st September 2008

Sd/-
I. RAJA BABU
MANAGING DIRECTOR

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 17th Annual Report on the business of your Company together with the Audited Accounts for the financial year 2007-08 comprising of twelve months from 01.04.2007 to 31.03.2008.

Company's Performance:**(Rupees in Lakhs)**

Particulars	(2007-08) 12 Months	(2006-07) 12 Months
Gross Income	1093.56	6.99
Expenditure	930.23	9.37
Gross Profit before Depreciation	163.33	(2.38)
Depreciation	10.42	10.73
Provision for Bad Debts	-	-
Provision for Taxes	9.93	-
Prior Period Adjustment	0.87	-
Profit/Loss after Tax	126.47	(13.14)
Add: Profit/Loss brought forward from last year	(472.55)	(459.40)
Balance carried forward to Balance Sheet	(14.41)	(472.55)

Operational Review:

During the year your Company has achieved a turnover of Rs. 1093.56 Lakhs earning profit after tax of Rs. 126.47 Lakhs. The gross block as on 31st March, 2008 is at Rs. 483.82 Lakhs and the net block as on 31st March, 2008 stood at Rs. 282.46 Lakhs.

Industrial Relations:

Your Directors are happy to report that the Industrial Relations have been extremely cordial at all levels throughout the year.

Directors:

Mr. Williams Temple .N and Mr. Anand Penumetcha, Directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting of the members of the Company and offers themselves for re-appointment.

During the year under review, Dr. M G G Naidu was appointed as an Additional Director in the Board Meeting held on 31st October' 2007.

During the year, Mr. Ajay Chauhan has resigned as Managing Director and based on the recommendations of the Board of Directors, Mr. I. Raja Babu has been appointed as Managing Director of the Company vide Board Meeting dated: 31st October, 2007 subject to the approval of shareholders.

Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the operating management, 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 they 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 they have taken proper and sufficient care for the maintenance 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 they have prepared the annual accounts on a Going Concern basis.

Auditor:

The Company's existing Statutory Auditors Mr. Maruti Nagendram, Chartered Accountants, 1-1-298/2B/3, 1st Floor, Sowbhagya Avenue, Street No.1, Ashoknagar, Hyderabad – 500 020 expressed his inability to continue as Statutory Auditor of the Company due to his pre-occupation. It is proposed to appoint M/s. P. Murali & Co., Chartered Accountants, 6-3-655/2/3, Somajiguda, Hyderabad – 500 082 as statutory Auditor of the Company for the Financial Year 2008-09 at a remuneration as fixed by the Board of Directors.

The Company has received letter from M/s. P. Murali & Co., Chartered Accountants, Hyderabad to the effect that their appointment as Statutory Auditor, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for such appointment.

Particulars of Employee's Remuneration:

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.

Human Resource Management:

The Board of Directors would like to place on record its deep appreciation to all the employees for their dedicated services to the Company. Your Company has been able to create a favorable work environment that encourages innovation and meritocracy. The Company has put in place scalable recruitment and human resource management.

Listing of Securities at Stock Exchanges:

Your Company's shares are currently listed on Bombay, Madras, Pune and Ahmedabad Stock Exchanges.

The management of your Company has been pursuing to revoke the suspension of trading of shares of the Company at Bombay Stock Exchange Limited. The Company has already received a positive sign from the Bombay Stock Exchange, vide their letter No.: DCS/COMP/OT/AJ/114/2008-09 dated: May 22, 2008 for Revocation of Suspension in Trading of securities. The same was considered and approved by the Internal Committee of Bombay Stock Exchange Limited in their meeting held on April 23, 2008. Towards this end, the Company has submitted necessary documents and complied with necessary formalities as stated by Bombay Stock Exchange, Mumbai in their letter as cited above.

Dematerialization of Shares:

Your Company shares have been made available for dematerialization through the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Fixed Deposits:

Your Company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on 31st March' 2008 and the provisions of Section 58A of the Companies Act, 1956 are not applicable.

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement executed with the stock exchange(s), the Company has complied with all the provisions of Corporate Governance. The detailed note in this regard is provided in this annual report in **Annexure – A**.

Explanations to any qualifications in Auditors' Report:

There are no adverse remarks in the Auditors' Report dated: 01st September' 2008.

Management Discussion and Analysis Report:

Current year outlook was explained in details in the Management Discussion and Analysis Report, which forms part of the Annual Report is given in **Annexure – B**.

Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo:

The details regarding energy conservation, technology absorption, Foreign Exchange Earnings and Outgo as required by Section 217(1)(e) of the Companies Act, 1956, read with Company's (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 are Not Applicable.

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/-

I. RAJA BABU

MANAGING DIRECTOR

Place: Secunderabad

Date: 01st September' 2008

ANNEXURE – A: REPORT ON CORPORATE GOVERNANCE

(As per Clause 49 of the Listing Agreement entered with the Stock Exchanges)

ALLSOFT CORPORATION LIMITED is committed to the standards of Corporate Governance in all activities.

I. 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.

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

The Company has a Non-Executive Chairman and the number of Independent Directors is one-third of the total number of Directors as required by Clause 49 of the Listing Agreement.

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board to separate the board functions of governance and management.

Thus, the number of directors in your Company is (Eight) 8 out of which (one) 1 is Managing Director and (Four) 4 Executive Directors and (Three) 3 Non-Executive Independent Directors.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The Names, Categories of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships and Committee memberships held by them in other companies are give below.

Sl. No	Name of the Director	Category	Designation	No. of Meetings Attended	Attendance of each Director at Last AGM
1.	Mr. I. Raja Babu	Managing Director	Managing Director	8	Yes
2.	Mr. William Temple .N	Executive Director	Director	1	No
3.	Mr. Anand Penumetcha	Executive Director	Director	6	Yes
4.	Mr. Ajay Chauhan	Executive Director	Director	8	Yes
5.	Mr. S E Sham Sunder	Executive Director	Director	8	Yes
6.	Mr. N. Anil Kumar	Independent Director	Director	8	Yes
7.	Mr. P. Kamalakar Rao	Independent Director	Director	4	Yes
8.	Dr. M.G.G Naidu	Chairman & Independent Director	Chairman	2	No

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. I. Raja Babu	Managing Director	10	Nil
2.	Mr. William Temple .N	Executive Director	Nil	Nil
3.	Mr. Anand Penumetcha	Executive Director	Nil	Nil
4.	Mr. Ajay Chauhan	Executive Director	2	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
8.	M. G. G Naidu	Chairman & Independent Director	Nil	Nil

c. Board Meetings held During the Year

Your Company's Board of Directors meet atleast once a quarter in a year to review the quarterly results and other items on the Agenda and also on the occasion of the Annual Shareholders' Meeting. When necessary, additional meetings are held. Committees of the Board usually meet the same day of the formal Board Meeting or as and when required.

During the year, your Board met at Eight (8) meetings held as per the details given below:

S. No	Date of Board Meeting
1	30/04/2007
2	22/06/2007
3	22/07/2007
4	31/07/2007
5	16/08/2007
6	31/10/2007
7	07/01/2008
8	26/03/2008

III. 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