

**19th Annual Report
2009 - 10**

ALLSOFT CORPORATION LIMITED

Board of Directors:

Mr. I. Raja Babu	Managing Director
Mr. Ajay Chauhan	Director
Mr. Anand Penumetcha	Director
Mr. Williams Temple	Director
Mr. S E Sham Sunder	Director
Mr. N Anil Kumar	Independent Director
Mr. C Jagan Mohan Reddy	Independent Director
Dr. M.G.G Naidu	Independent Director
Mr. K B S Raja Reddy	Independent Director

Audit Committee:

Dr. M G G Naidu	Member & Chairman
Mr. C Jagan Mohan Reddy	Member
Mr. K B S Raja Reddy	Member

Remuneration Committee:

Mr. K B S Raja Reddy	Member & Chairman
Mr. C Jagan Mohan Reddy	Member
Mr. S E Sham Sunder	Member

Shareholders / Investor Grievance Committee:

Mr. C Jagan Mohan Reddy	Member & Chairman
Mr. K B S Raja Reddy	Member
Dr. M.G.G Naidu	Member

Auditors:

M/s. P. Murali & Co.,
Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad – 500 082

Registered Office:

7th Floor, Minerva Complex,
94, S D Road,
Secunderabad – 500 003

Bankers:

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

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 19th Annual General Meeting of the members of the Company, **M/s. Allsoft Corporation Limited** will be held on Thursday, the 30th day of September, 2010 at 11.30 A.M. at 91, Bhuvana Towers, S D Road, Secunderabad – 500 003 to transact the following business items:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March' 2010, 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. I Raja Babu, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. S E Sham Sunder, 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 modifications(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. P. Murali & Co., Chartered Accountants, having their office at 6-3-655/2/3, Somajiguda, Hyderabad – 500 082, be and are hereby re-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 on such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. C. Jagan Mohan Reddy, who was appointed as an Additional Director of the Company with effect from 01st March, 2010, which was considered and approved by the Board of Directors at their meeting held on 30th April, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds the office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member 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.”

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

“RESOLVED THAT Mr. K B S Raja Reddy, who was appointed as an Additional Director of the Company with effect from 01st April, 2010, which was considered and approved by the Board of Directors at their meeting held on 30th April, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds the office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member 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.”

By Order of the Board of Directors

Place: Secunderabad
Date: 07th September, 2010



**I. RAJA BABU
MANAGING DIRECTOR**

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 29.09.2010 to 30.09.2010 (both days inclusive) to ascertain the list of members for 19th 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.

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

ITEM NO: 5

Mr. C. Jagan Mohan Reddy has been appointed as an Additional Director of the Company with effect from 01st March, 2010 and the same was considered and approved by the Board of Directors at their meeting held on 30th April, 2010.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. C. Jagan Mohan Reddy holds office as a Director up to 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.

Mr. C. Jagan Mohan Reddy has vast experience & good knowledge in the Corporate Affairs and also has good administrative abilities. In view of the above, Mr. C. Jagan Mohan Reddy has been appointed as a Director of the Company subject to approval of the shareholders with effect from 01st March, 2010.

ITEM NO: 6

Mr. K B S Raja Reddy has been appointed as an Additional Director of the Company with effect from 01st April, 2010, and the same was considered and approved by the Board of Directors at their meeting held on 30th April, 2010.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. K B S Raja Reddy holds office as a Director up to 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.

Mr. K B S Raja Reddy has vast experience & good knowledge in the Corporate Affairs. In view of the above, Mr. K B S Raja Reddy has been appointed as a Director of the Company subject to approval of the shareholders with effect from 01st April, 2010.

**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. I Raja Babu 41 years B.E. (Mechanical) 17 years 13
2.	Name Age Qualification Experience Other Directorships	Mr. S E Sham Sunder 40 years Graduate 17 years Nil

By Order of the Board of Directors

Place: Secunderabad
Date: 07th September, 2010


I. RAJA BABU
MANAGING DIRECTOR

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 19th Annual Report on the business of your Company together with the Audited Accounts for the financial year 2009-10 comprising of twelve months from 01.04.2009 to 31.03.2010.

Company's Performance:

Particulars	(Rupees in Lakhs)	
	(2009 - 10) 12 Months	(2008 - 09) 12 Months
Gross Income	6345.73	3188.60
Expenditure	6316.28	3153.66
Gross Profit before Depreciation	29.44	34.93
Depreciation	4.47	10.47
Provision for Bad Debts	-	-
Provision for Taxes	5.40	6.82
Prior Period Adjustment	-	-
Profit/Loss after Tax	13.37	15.01
Add: Profit/Loss brought forward from last year	3.21	(14.41)
Balance carried forward to Balance Sheet	16.58	3.22

Operational Review:

During the year under review, your Company has achieved a turnover of Rs.6374.26 Lakhs earning profit after tax of Rs.13.36 Lakhs. The gross block as on 31st March, 2010 is at Rs.532.97 Lakhs and the net block as on 31st March, 2010 stood at Rs.316.67 Lakhs.

Industrial Relations:

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

Directors:

During the year under review, Mr. I Raja Babu and Mr. S E Sham Sunder, Directors of the Company are liable to retire by rotation in the forthcoming Annual General Meeting of the members of the Company and offer themselves for re-appointment.

During the year under review, Mr. P. Kamalakar Rao, Director of the Company has resigned from the Board w.e.f 06th April, 2010.

During the year under review, Mr. K. B. S Raja Reddy and Mr. CH. Jagan Mohan Reddy, who were appointed as an Additional Directors of the Company w.e.f., 1st April, 2010

and 01st March, 2010 respectively by the Board of Directors at their meeting held on 30th April, 2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds the office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from the members proposing their candidature for the office of the Director under Section 257 of the Companies Act, 1956 along with the requisite deposit, be and are hereby appointed as Directors of the Company.

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 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:

M/s. P. Murali & Co., Chartered Accountants, Hyderabad retires as Auditors at the forthcoming Annual General Meeting and being eligible have expressed their willingness to be reappointed.

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 very hard to revoke the suspension of trading of equity shares of the Company at Bombay Stock Exchange Limited (BSE), Mumbai. The Company has already received a positive sign from the BSE 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 BSE in their letter as cited above.

Further, BSE has directed the promoters of the Company to Lock-in their Shares for a period of three months vide letter no. DCS/COMP/OT/VC/116/2009-10 dated June 29, 2009. The Company has complied the same and obtained the confirmation of Lock-in Shares from the CDSL vide letter No.: CDSL/OPS/IPO-CA/2009-10/CA-91635 dated 17th August, 2009 and NSDL vide letter No.: II/CA/COM/80334/2009 dated July 21, 2009 and also from Registrar and Share Transfer Agent (RTA), M/s. CIL Securities Limited. The Company is awaiting for a positive reply from Bombay Stock Exchange Limited.

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' 2010 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: 07th September, 2010.

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**.

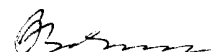
Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo:

The details regarding energy conservation, technology absorption, Foreign Exchange Earnings and Outgo as required by Company is 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



I. RAJA BABU
Managing Director

Place: Secunderabad
Date: 07th September, 2010