

**20th Annual Report
2010 - 11**

ALLSOFT CORPORATION LIMITED

Board of Directors:

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

Managing Director
Director
Director
Director
Independent Director
Independent Director
Independent Director
Independent Director

Audit Committee:

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

Member & Chairman
Member
Member

Remuneration Committee:

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

Member & Chairman
Member
Member

Shareholders / Investor Grievance Committee:

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

Member & Chairman
Member
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 20th Annual General Meeting of the members of the Company, **M/s. Allsoft Corporation Limited** will be held on Friday, the 30th day of September, 2011 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' 2011, 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. C Jagan Mohan Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. K. B. S. Raja Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-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-500082, 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 a Special Resolution:

"RESOLVED THAT pursuant to the approval of the members of the Remuneration Committee in their meeting held on 29th October, 2010 and pursuant to the provisions of Sections 198, 269, 309, 310, 311 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. I Raja Babu as the Managing Director of the Company with effect from **01st November, 2010** for a period of **five (5) years** from the date of his appointment on the following terms and conditions:

Salary	Rs.1,00,000/- per month
H.R.A.	<u>Rs. 25,000/- per month</u>
TOTAL	<u>Rs. 1,25,000/- per month"</u>

Place: Secunderabad
Date: 07th September, 2011

By Order of the Board of Directors


I. Raja Babu
Managing Director


K. B. S. Raja Reddy
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 29.09.2011 to 30.09.2011 (both days inclusive) to ascertain the list of members for 20th 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

The tenure of Mr. I. Raja Babu, as a Managing Director of the Company has comes to an end by 30th October, 2010. In view of the Contributions made by Mr. I. Raja Babu, as Managing Director of the Company with his extensive knowledge of company operations and rich experience and expertise in managing the affairs of the company, the Board of Directors of the Company has Re-appointed him as a Managing Director of the Company with effect from 01st November, 2010 for a period of 5 years from the date of his appointment. Any appointment or reappointment or change in remuneration of a Managing Director will have effect if is ratified by the members in the forthcoming Annual General Meeting of the Company.

Hence, your Directors recommend the resolution for approval of the members of the Company.

None of the Directors except Mr. I. Raja Babu, is concerned or interested in this resolution.

The members are requested to consider and ratify the above for re-appointment of Mr. I. Raja Babu as Managing Director of the Company.

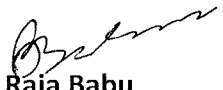
**ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED
AS PER THE LISTING AGREEMENT**

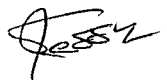
As required under the Listing Agreement, the particulars of Directors, who are proposed to be appointed /re-appointed, are given below:

1.	Name Age Qualification Experience Other Directorships	Mr. C. Jagan Mohan Reddy 63 years Graduate in Engineering 25 years 3
2.	Name Age Qualification Experience Other Directorships	Mr. K. B. S Raja Reddy 51 years Graduate in Law 20 years 6

Place: Secunderabad
Date: 07th September, 2011

By Order of the Board of Directors


I. Raja Babu
Managing Director


K. B. S. Raja Reddy
Director

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 20th Annual Report on the business of your Company together with the Audited Accounts for the financial year 2010-11 comprising of twelve months from 01.04.2010 to 31.03.2011.

Company's Performance:

Particulars	(Rupees in Lakhs)	
	(2010 - 11) 12 Months	(2009 - 10) 12 Months
Gross Income	9919.75	6345.73
Expenditure	9857.73	6316.28
Gross Profit before Depreciation	62.01	29.44
Depreciation	11.63	4.47
Provision for Bad Debts	-	-
Provision for Taxes	8.20	5.40
Prior Period Adjustment	0.86	-
Profit/Loss after Tax	27.65	13.36
Add: Profit/Loss brought forward from last year	16.58	3.21
Balance carried forward to Balance Sheet	44.23	16.58

Operational Review:

During the year under review, your Company has achieved a turnover of Rs.9948.09 Lakhs earning profit after tax of Rs.27.65 Lakhs. The gross block as on 31st March, 2011 is at Rs.696.05 Lakhs and the net block as on 31st March, 2011 stood at Rs.468.11 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. C. Jagan Mohan Reddy and Mr. K. B. S Raja Reddy, 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, the tenure of Mr. I. Raja Babu, Managing Director of the Company comes to an end by 30th October, 2010 and your Directors have re-appointed him as a Managing Director of the Company with effect from 01st November, 2010 for a

period of 5 years subject to the ratification in the Annual General Meeting of the Company.

During the year under review, Mr. Anand Penumetcha, Director of the Company has resigned from the Board with effective from 27th July, 2011.

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 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 Ahmadabad 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 for revocation of suspension in trading of securities. The same was considered and approved by the Internal Committee of Bombay Stock Exchange Limited. Towards this end, the Company has submitted necessary documents and complied with necessary formalities as stated by BSE.

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' 2011 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, 2011.

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.

Place: Secunderabad
Date: 07th September, 2011

By Order of the Board of Directors


I. Raja Babu
Managing Director


K. B. S. Raja Reddy
Director