

TWELVETH ANNUAL REPORT 2000 - 2001

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ANCENT/ SOFTWARE INTERNATIONAL LIMITED

**ANCENT SOFTWARE INTERNATIONAL LIMITED****Annual Report of 2000-2001**

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ANCENT SOFTWARE INTERNATIONAL LIMITED

BOARD OF DIRECTORS

SHRI. YUVRAJ KARAN	CHAIRMAN
SMT.C. JHANSI LAKSHMI	DIRECTOR
SMT.C. DAMAYANTHI	DIRECTOR
SHRI. N. ROHIT REDDY	DIRECTOR
SHRI.C. ASHOK BABU	MANAGING DIRECTOR

Registered Office :

Unit No.12, Vth Floor,
"TOPAZ" Building, Amrutha Hills,
Punjagutta, Hyderabad, Andhra Pradesh,
Pin Code - 500 082.

Auditors :

M/s Rambabu & Co.
31, Pancom Chambers,
6-3-1090/1/A, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082.

Bankers :

The Dhanalakshmi Bank Ltd.,
Abids, Hyderabad - 500 001

The Apna Co-operative Urban Bank Ltd
Panjagutta, Hyderabad - 500 082.

H.D.F.C Bank Ltd.,
Banjara Hills, Hyderabad - 500 034.



ANCENT SOFTWARE INTERNATIONAL LIMITED

Notice to Shareholders :

NOTICE is hereby given that the Twelvth Annual General Meeting of the members will be held on Saturday 16th June, 2001 at 12.00 A.M. at The Hyderabad Gymkhana, Near L.V. Prasad Eye Institute, Road No:2, Banjara Hills, Hyderabad - 34. to transact the following business.

ORDINARY BUSINESS:

1. To consider and adopt the Directors Report, the profit & loss Account for the period ended 31st March 2001 and the Balance sheet as on that date together with Auditor's Report thereon.
2. To elect a Director in place of Shri Yuvaraj Karan who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors and fix their Remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution.

"RESOLVED THAT SHRI N. ROHIT REDDY be and is hereby applied as Director of the company liable to retirement.

5. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution.

Resolved that pursuant to the provisions of sections 198, 309 and 314 and Schedule XIII and other applicable provisions if any of the Companies Act, 1956. Sri C. Ashok Babu be and is hereby re-appointed as the Managing Director of the company with effect from 14.09.99 for a period of 5 years, subject to the approval of the members in general meeting and terms and conditions, mentioned in the Draft agreement on the following remuneration.

Salary : Rs. 20,000 (Rupees Twenty thousand only) per month.

Commission : One Percent Commission on the net profits of the Company computed in the manner laid down in Para II schedule XIII of the Companies Act, 1956 subject to a ceiling of 50 percent of annual salary whichever is less.

Perquisites : In addition to the above salary and commission the Managing Director shall be entitled to an amount equivalent to the following perquisites.

Part A

Housing 1 :

The expenditure by the company on hiring accommodation will be subject to the following ceilings :-

- a) At Mumbai, Colcutta, Delhi, and Chennai : 60% of salary, over and above 10% payable by the Managing Director.
- b) At other places : 50% of salary, over and above 10% payable by the Managing Director.

Housing -II :

In case the accommodation is owned by the company, 10% of the salary of the Managing Director shall be deducted by the company.



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Housing - III :

In case no accommodation is provided by the company, the Managing Director shall be entitled to a house rent allowance subject to the ceilings laid down in Housing - I.

The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of the managing Director.

Medical Reimbursement : Expenses incurred for self and family to a ceiling of the month's salary per year of three months' salary in a period of three years.

Leave Travel Concession: For self and family, once in a year, in accordance with the rules of the company.

Club Fees : Fees of Clubs, subject to a maximum of two clubs, however, admission and life membership fees shall not be paid by the company.

Personal Accident Insurance : The Annual premium of which does not exceed Rs. 4,000/-.

Part - B

Contribution to Provident Fund, Superannuation Fund and Annuity will not be considered or included for the computation of ceiling or perquisites to the extent those either singly or put together are not taxable under the Income Tax Act.

Company's Contribution towards Provident Fund : Subject to a ceiling of 10% of salary.

Company's contribution towards Pension/Superannuation Fund : Such contribution together with contribution to the provident Fund shall not exceed 25% of the salary as laid down in the Income Tax Rules, 1962.

Gratuity : Payable in accordance with an approved fund and which does not exceed half month's salary for each completed year of service.

Part - C

Company car with Driver : The Managing Director shall be provided a Company car with a driver for his use. However, the use of car for private purposes shall be billed by the Company to the Managing Director.

Free Telephone at Residence : The Managing Director shall be provided not more than one Phone at his Residence. However, all long distance personal calls shall be duly logged and paid for by the Managing Director.

Earned/Privilege Leave : The Managing Director shall be entitled for privilege leave on full pay and allowances as per the rules of the company for a period not exceeding one month after every eleven months service. The leave accumulated but not availed of will not be allowed to be encashed.

The Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.

6. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution.



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Resolved that pursuant to the provisions of section 198, 309, 314, schedule XIII and other applicable provisions of the companies Act, 1956. Sri N. Rohit Reddy be and is hereby appointed as Director (Technical) of the company w.e.f. 6.5.2000 for a period of five years, subject to the approval of the members in general meeting and terms and conditions mentioned in the draft agreement on the following remuneration salary Rs. 10,000

Accommodation : Rent free accommodation

Car : Provided car without driver.

Contributions to provident Fund Superannuation Fund and Annuity and Gratuity as per company rules.

PLACE : HYDERABAD

DATE : 18.5.2001

For and on behalf of the Board

C. ASHOK BABU
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective, must be received by the company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer books of the Company will be remain closed on 16th June to 20th June (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to notify the change of address, if any immediately.

EXPLANATORY STATEMENT

Item No.4

Shri N. Rohit Reddy is a qualified and well versed with the marketing activities of the company. The Board appointed him as Additional Director with effect from 6.5.2000 . The Board recommended the resolution. No Director other than Sri N. Rohit Reddy interested in the resolution.

Item No.5

Managing Director Sri C. Ashok Babu has been re-appointed as Managing Director in Board Meeting held on 06.05.2000 with effect from 14.9.99. The Board recommended the resolution.

Except Sri C. Ashok Babu, Smt. C. Damayanthi and Smt. C. Jhansi Lakshmi none of the Directors are interested in the resolution.

Item No.6

Sri N. Rohit Reddy is actively participating in day to day operations of the Company. Sri N Rohit Reddy appointed as Director (Technical) in Board Meeting held on 6.5.2000 with effect from 6.5.2000 . The Board recommended the resolution.

Except Sri N. Rohit Reddy none of the Directors are interested in the resolution.



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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twelvth Annual Report and the Audited Statement of Accounts of your Company for the period ended 31st March 2001.

FINANCIAL RESULTS :

	2000-2001 (15 months) (Rs. in Lakhs)	Previous Year (15 months) (Rs. in Lakhs)
Gross Income	179.20	55.14
Gross Profit	38.42	2.94
Less : Depreciation	9.96	1.35
Net Profit before Tax	28.46	1.59
Provision for Taxation	3.50	Nil
Profit after Tax	24.96	1.59
Surplus carried to balance sheet	24.96	1.59

Performance of the Company

The Gross Income of the Company is Rs. 179.20 lacs for the 15 months period of January 2000 - March 2001 as against Rs. 55.14 lacs for the 15 months period of October 98 to December 1999. Net profit registered Rs 24.96 lacs after tax for the current year as against Rs. 1.59 lacs during the previous year

It is pleasure to inform you that recently our company has launched Evalue Consulting Services in the domains of costing, quality, manufacturing technology, human resources, I.T. business and business process re-engineering. These services are targeted at the small and medium enterprises.

We believe that our synergy based business model will help us to build world class organisation to grow and cater to client's needs in the E-business world.