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FOURTEENTH ANNUAL REPORT 2012 - 2013

Annual Report 2012-13

Board of Directors

Mr. S. Raghava Rao	: Chairman and Managing Director
Mr. Ch. Harinath	: Executive Director
Mr. R. Krishna Mohan	: Director (Finance & Administration)
Mr V.Satyanarayana	: Independent Director
Mr. Thomos P. Nicodamus	: Independent Director
Mr. M. Nageswara Rao	: Independent Director
Mr. K. Arun Prasad	: Independent Director

Company Secretary

Ms. Sampada K Joshi

Registered Office

**: 701, 7th Floor, Aditya Trade
Center, Ameerpet, Hyderabad -500 038**

Auditors

M/s. Seshachalam & Co.,
Chartered Accountants
Secunderabad

Bankers

Oriental Bank of Commerce
Mehdipatnam
Hyderabad

Registrars and Share Transfer Agents

XL Softech Systems Ltd
3, Sagar Society, Road No.3,
Banjara Hills,
Hyderabad - 500 034.

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Saturday, September 28, 2013 at 11.00 AM at the Registered Office of the Company at **701, 7th Floor, Aditya Trade Center, Ameerpet, Hyderabad -500 038**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013, the Profit and Loss account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. Krishna Mohan who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. M. Nageswara Rao who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Seshachalam & Co, Chartered Accountants, Secunderabad, as 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 and authorize the Board of Directors to fix their remuneration.

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 Mr. Arun Prasad Kanuri, who was appointed as an Additional Director with effect from August 14th, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and provisions in the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, 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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of 198,269,309 and Schedule XIII and other applicable provisions if any of the Companies Act, 1956, the remuneration and perquisites payable to Shri S. Raghava Rao, Chairman & Managing Director for the remaining period of his tenure be increased, with effect from 01.09.2013, as follows:

1. Salary : Rs. 1,05,000/- per month
2. Performance Bonus : Up to a maximum of 25% of Salary, payable quarterly or at other intervals as may be decided by the Board.

3. Perquisites and Allowances

- i) Housing : Furnished/unfurnished residential Accommodation or house rent allowance up to 40% of Salary in lieu there of.
- ii). Medical Reimbursement/ Allowance : Reimbursement of actual expenses for Self and family and / or allowances will be paid as per the rules of the Company.
- iii). Leave Travel Concession/ Allowance : For self and family once in a year, in Accordance with the rules of the Company.
- iv). Club Fees : Fees payable subject to a maximum of two Clubs.
- v). Provision of Driver/ Driver's Salary allowance : As per rules of the Company.
- vi). Personal Accident Insurance : As per rules of the Company.
- vii). Earned / Privilege Leave : As per rules of the Company.
- viii). Company's contribution to Provident Fund and Super-Annuation Fund : As per rules of the Company.
- ix). Gratuity : As per rules of the Company.
- x). Encashment of Leave : As per rules of the Company.
- xi). Car and Telephone : Use of the Car and Telephone for official Purposes.

The aggregate of the Salary, performance bonus, perquisites and allowances, contribution towards provident fund and superannuation fund, gratuity and leave encashment taken together shall always be subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration

Where in any financial year, during the currency of tenure of Mr. S. Raghava Rao, the Company incurs a loss or its profits are inadequate, the Company may pay them remuneration by way of Salary, performance bonus, perquisites and allowances not exceeding the limits as specified under Para 2 of Section II, Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

7. 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 provisions of 198,269,309 and Schedule XIII and other applicable provisions if any of the Companies Act, 1956, the remuneration and perquisites payable to Shri Ch. Harinath, Executive Director for the remaining period of his tenure be increased, with effect from 01.09.2013, as follows:

1. Salary : Rs. 1,00,000/- per month
2. Performance Bonus : Up to a maximum of 25% of Salary, payable quarterly or At other intervals as may be decided by the Board.
3. Perquisites and Allowances
 - i) Housing : Furnished/unfurnished residential Accommodation or house rent allowance Up to 40% of Salary in lieu thereof.
 - ii). Medical Reimbursement/ allowance : Reimbursement of actual expenses for self And family and / or allowances will be paid as per the rules of the Company.
 - iii). Leave Travel Concession/ allowance : For self and family once in a year, in Accordance with the rules of the Company.
 - iv). Club Fees : Fees payable subject to a maximum of two Clubs.
 - v). Provision of Driver/ Driver's Salary allowance : As per rules of the Company.
 - vi). Personal Accident Insurance : As per rules of the Company.
 - vii). Earned / Privilege Leave : As per rules of the Company.
 - viii). Company's contribution to Provident Fund and Super-Annuation Fund : As per rules of the Company.
 - ix). Gratuity : As per rules of the Company.
 - x). Encashment of Leave : As per rules of the Company.
 - xi). Car and Telephone : Use of the Car and Telephone for official Purposes.

The aggregate of the Salary, performance bonus, perquisites and allowances, contribution towards provident fund and superannuation fund, gratuity and leave encashment taken together shall always be subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration

Where in any financial year, during the currency of tenure of Mr. Ch. Harinath, the Company incurs a loss or its profits are inadequate, the Company may pay them remuneration by way of Salary, performance bonus, perquisites and allowances not exceeding the limits as specified under para 2 of Section II, Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

8. To consider and thought fit to pass with or without the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of 198,269,309 and Schedule XIII and other applicable provisions if any of the Companies Act, 1956, the remuneration and perquisites payable to Shri R. Krishna Mohan, Director (Finance & Administration) for the remaining period of his tenure be increased, with effect from 01.09.2013, as follows:

1. Salary : Rs. 1,00,000/- per month
2. Performance Bonus : Up to a maximum of 25% of Salary, payable quarterly or at other intervals as may be decided by the Board.
3. Perquisites and Allowances
 - i) Housing : Furnished/unfurnished residential Accommodation or house rent allowance up to 40% of Salary in lieu thereof.
 - ii). Medical Reimbursement/ Allowance : Reimbursement of actual expenses for self and family and / or allowances will be paid as per the rules of the Company.
 - iii). Leave Travel Concession/ Allowance : For self and family once in a year, in accordance with the rules of the Company.
 - iv). Club Fees : Fees payable subject to a maximum of Two Clubs.
 - v). Provision of Driver/ Driver's Salary allowance : As per rules of the Company.
 - vi). Personal Accident Insurance : As per rules of the Company.
 - vii). Earned / Privilege Leave : As per rules of the Company.

viii). Company's contribution to Provident Fund and Super-Annuation Fund

: As per rules of the Company.

ix). Gratuity

: As per rules of the Company.

x). Encashment of Leave

: As per rules of the Company.

xi). Car and Telephone

: Use of the Car and Telephone for official purposes.

The aggregate of the Salary, performance bonus, perquisites and allowances, contribution towards provident fund and superannuation fund, gratuity and leave encashment taken together shall always be subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration

Where in any financial year, during the currency of tenure of Mr. R. Krishna Mohan, the Company incurs a loss or its profits are inadequate, the Company may pay them remuneration by way of Salary, performance bonus, perquisites and allowances not exceeding the limits as specified under para 2 of Section II, Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

By order of the Board

Sd/-

Place : Hyderabad
Dated : 14.08.2013

S. Raghava Rao
Chairman and Managing Director

Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ELIGIBLE TO APPOINT A PROXY OR PROXIES WHO CAN ATTEND AND VOTE INSTEAD OF MEMBER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The Proxy Form duly completed must be lodged at the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.
- 3) The Register of Members of the Company will remain closed from Wednesday September 25, 2013 to Saturday, September 28, 2013, both days inclusive, for the purpose of Annual General Meeting
- 4) The members are requested to intimate immediately any change in their address quoting their Registered Folio enabling the Company to address future communication.

5) Members are requested to bring copies of the Annual Report, as no extra copies shall be provided at the Meeting. Shareholders desiring any information as regards to the Audited Accounts are requested to write to the Company at least one week before the Meeting enabling the Chairman to keep the information ready to reply at the meeting.

6) It shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTAs for registration of transfer of shares for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed companies.

7) As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies *inter alia* stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

8) Explanatory statement pursuant to section 173 (2) of the Companies Act 1956 for Item No.s 5 to 8 is annexed.

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

Item No.5

Sri Arun Prasad Kanuri was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 14-08-2013. As per the provisions of the Section 260 of the Companies Act, 1956 they hold office up to the date of the ensuing Annual General Meeting. The Board felt that his experience will be of immense use to the Company for effective management and recommended his appointment as Director of the Company.

None of the Directors is interested in his appointment as Director.

Item No.6

The Tenure of Mr. S. Raghava Rao, Chairman cum Managing Director runs from 01st September 2011 to 31st August 2016. Keeping in view the Contribution to the growth and development of the Company and on the recommendations of the Remuneration Committee, the Board approved the proposal for increase of remuneration for the remaining period of his tenure i.e. 01.09.2013 to 31.08.2016.

Hence the resolution is at Item No. 6 of the Notice.

The Board commends this resolution for the approval of shareholders at the ensuing Annual General Meeting.

None of the other Directors of the Company except Mr. S. Raghava Rao is in any way concerned or interested in this resolution.

Item No.7

The Tenure of Mr. Ch. Harinath, Executive Director runs from 01st September 2011 to 31st August 2016. Keeping in view the Contribution to the growth and development of the Company and on the recommendations of the Remuneration Committee, the Board approved the proposal for increase of remuneration for the remaining period of his tenure i.e. 01.09.2013 to 31.08.2016.

Hence the resolution is at Item No. 7 of the Notice.

The Board commends this resolution for the approval of shareholders at the ensuing Annual General Meeting.

None of the other Directors of the Company except Mr. Ch. Harinath is in any way concerned or interested in this resolution.

PRODUCTS

Dr. R. Krishna Murthy is an
assistant professor in the

of the B
JATON

Sd/-

S. Raghava Rao

Chairman and Managing Director