

ideaspace

7th

Annual Report

1999-2000

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For IDEA SPACE SOLUTIONS LIMITED.

Chenish

COMPANY SECRETARY.

IDEA SPACE SOLUTIONS LIMITED

Regd. Office : 6-2-953, First Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004. A.P. India

Tel : +91-40-3327994 /6/7 Fax : +91-40-3394799, Data : +91-40-3303962,

e-mail : ideasp@ideasa.com Internet : www.ideasp.com

IDEA SPACE SOLUTIONS LIMITED

!deaspace

BOARD OF DIRECTORS

S. Ravi - Chairman
C. Prasanna
Pawan Jhunjhunwala
O. Bangaru Raju
Ch. A.R. Sudhakar

AUDITORS

S. Venkatadri & Company
Chartered Accountants
1408, Babukhan Estate
Basheerbagh, Hyderabad - 500 001.

COMPANY SECRETARY

E.N. Krishnan

BANKERS

The Vysya Bank Limited

BRANCH

New Jersey
U.S.A
19 west 34th Street,
Suite 303, New York - 10001.

REGISTERED OFFICE

6-2-953, First Floor
Krishna Plaza, Khairatabad
Hyderabad - 500 004.

SHARE TRANSFER AGENTS

Karvy Consultants Limited
Karvy House,
46, Avenue 4, Street No. 1,
Banjara Hills,
Hyderabad - 500 034.

IDEA SPACE SOLUTIONS LIMITED**!deaspace****NOTICE**

NOTICE is hereby given that the Seventh Annual General Meeting of Idea Space Solutions Limited (formerly GMR vasavi infotech Limited) will be held on Monday, the 25th September, 2000 at 11.00 a.m. at Jaya Gardens, 6-3-1106, Raj Bhavan Road, Somajiguda, Hyderabad, Andhra Pradesh, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2000, the Director's Report and the report of Auditors' thereon.
2. To declare Dividend on the Equity Shares.
3. To elect a Director in place of Shri O. Bangaruraju, who retires by rotation and being eligible, offers himself for reappointment.

4. To elect a Director in place of ~~Shri~~ CH. A. R. Sudhakar, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors, and to fix their remuneration, in this connection to consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution:

"Resolved that M/s Venkatadri & Company, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next annual General Meeting at a remuneration to be decided by the Board and are also eligible for reimbursement of out of pocket expenses."

Hyderabad
August 28th, 2000

E.N. Krishnan
Company Secretary

Note :

1. A Member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a Member, to attend and vote on a poll, on his behalf. Such proxies should be deposited at the Registered Office of the Company not less than Forty Eight hours before the commencement of the Meeting.
2. The Register of Members will remain closed from September 23rd to 25th 2000 (both days inclusive) for purpose of payment of Dividend, if approved.
3. Dividend if approved will be paid to those shareholders whose names appear in the Register of Members of the Company as on September 25, 2000 or to their Mandatees.
4. Shareholders are requested to furnish change of address, if any, immediately to the Company at its Regd. Office, 6-2-953, 1st Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004, Andhra Pradesh.

5. Shareholders who have multiple folios in identical names or joint names in the same order are requested to intimate to the Company to enable the Company to consolidate all such shareholdings into one folio.
6. As per Sebi's Directives, the Shares of the Company can be Traded only in Demat form. The Company has already entered into agreements with NSDL (ISIN INE 311B01011) and CDSL (ISIN INE 311B01011) and has appointed M/s Karvy Consultants Limited as transfer agents for both physical and Electronic form.
7. Members desirous of obtaining any information concerning the Account and operations of the Company are requested to send their queries at least seven days before the date of the Meeting to the Company, so that information required may be made available at the Meeting.

IDEA SPACE SOLUTIONS LIMITED**!deaspace****Directors Report**

To the Members

Your Directors have pleasure in presenting the Seventh Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2000

	Year ended March 31st, 2000	Year ended March 31st, 1999
INCOME		
Profit before depreciation and Tax	112.86	103.04
Less : Depreciation	60.18	72.90
Profit before Tax	52.68	30.14
Less : Provision for Tax	31.24	12.00
Profit after Tax	21.44	18.14
Previous year Adjustment	-	-
Add: Balance of profit and Loss		
Account brought forward	126.31	130.90
Disposable Profit	147.75	149.04
APPROPRIATIONS		
General Reserve	10.00	6.00
Proposed Dividend	22.61	15.07
Tax on Dividend	4.98	1.66
Balance carried to Balance Sheet	110.16	126.31

PERFORMANCE

Your Company has strategically concentrated itself in building up the infrastructure and in recruiting trained manpower to consolidate its efforts in tune with its foray into Information Technology industry. In order to establish itself as a major player in the field of Information Technology arena has established a branch at New Jersey, U.S.,A and also has changed its name from GMR VASAVI INFOTECH LIMITED to IDEA SPACE SOLUTIONS LIMITED to improve the visual impact at the international level. Necessary approval from the Registrar of Companies, Andhra Pradesh vide letter No.RAP/TA.IV/15585/SEC.21/2000/T Dated 7/8/2000 has been received. The Company has also registered itself with Software Technology Park of India as an export oriented unit vide their registration No. STPH/IMSC/1999-2000/425/21451. The Company has also obtained IEC Code No. 0999002163. from the Directorate General of Foreign Trade.

The Profit before Depreciation and Tax was Rs.112.86 Lakhs for the year as compared to Rs.103.04 lakhs for the previous year. The Net Profit for the year was Rs. 21.44 Lakhs as compared to Rs.18.14 lakhs for the previous year. The amount available for appropriation was Rs. 147.75 lakhs as against Rs.149.04 lakhs for the previous year. The Company has also addressed a letter to Reserve Bank of India seeking its approval for surrender of RBI registration certificate issued to it, consequent to the migration of the company to Information Technology industry.

The difference in the Projection of Net Profit, published in the unaudited results and communicated to stock Exchanges and the audited results are basically due to cautious and conservative recognition of Income on software Projects under execution

IDEA SPACE SOLUTIONS LIMITED**!deaspace****Y2K COMPLIANCE**

The transition of the company into the new millennium was completed without any hitches.

DIVIDEND

In order to conserve resources, your Directors recommend a conservative dividend of 6% on the Equity Shares as against 4% in the previous year. The Dividend, if approved will absorb an amount of Rs.27,58,787 (including a Dividend tax of Rs. 4,97,486) as against Rs.16.73 Lakhs (Inclusive of Dividend Tax of Rs.1.66 lakhs) in the previous year.

FUTURE PROSPECTS AND PLANS

Your company has already set up a Branch at New Jersey, U.S.A. and is on the verge of setting up a sophisticated Software Development Centre in Hyderabad. Trained manpower have already been recruited and few projects have been implemented successfully. A few offshore projects are at advanced stages of discussion and your company is confident of bagging the orders. Your company shall continue to concentrate on the niche areas of Internet applications, e-commerce, onsite project executions on a broad band of industries in Power, Manufacturing, Telecom, Aviation Space, Transportation, Finance, Banking, Insurance and Health Sectors.

FIXED DEPOSITS

The Fixed Deposits mobilization from Public stood at Rs. 66.37 Lakhs as compared to Rs.162.21 lakhs for the year 1998-99. During the year, ICRA rating of MA- for Fixed Deposits was maintained.

Your company has repaid all Fixed Deposits, which have matured during the year. Deposits matured but unclaimed amounted to Rs. 5,36,898.50 (23 Deposits) for the year 1999-2000 as against Rs.14,51,754.75 (42 Deposits) for the year 1998-99. Your company is making continuous efforts to activate the depositors to claim their deposits.

DIRECTORS

Shri O.Bangaru Raju, Director and Shri Ch.A.R.Sudhakar, Director retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

M/s. S.Venkatadri & Co., Chartered Accountants, Statutory Auditors retire at the close of the Annual General Meeting, and being eligible offer themselves for reappointment.

INTERNAL AUDITORS

Your Company has reappointed M/s Loverlock & Lewes, Chartered Accountants, as Internal Auditors

OTHER INFORMATION

The details of employees covered under sub-section 2(A) of Section 212 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is appended as annexure.

The Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 requires disclosure of particulars regarding Conservation of Energy in Form A and Technology Absorption in Form B prescribed by the Rules. The Company not being a Manufacturing Company is advised that Form A and B are not applicable to it.

The details of the Fopregin Exchange earned and expended during the year under review are detailed below:

FOREIGN EXCHANGE EARNING AND OUTGO. (Rs in lakhs)

Earnings	67.48
Outgo	45.99

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation for the continued support and trust received and reposed by the Banks, Depositories, ICRA Limited, RBI, Stock Exchanges, SEBI, STPI and other Government Agencies and record their gratitude for the same.

Your Directors also wish to place on record their deep appreciation of the invaluable contribution of the Employees and thank the shareholders for the trust reposed in the Company and the Management.

By Order of the Board

Hyderabad,
August 28th, 2000

S.RAVI
CHAIRMAN

DEA SPACE SOLUTIONS LIMITED**!deaspace****ANNEXURE TO THE DIRECTORS' REPORT****Information pursuant to Section 217 (2A) of the Companies Act, 1956**

Name	Designation & Nature of Duties	Age (Years)	Qualifications & Experience	Last Experience Post held	Date of Joining	Gross Amount
Mr. B. KARUNAKAR	Sr. Vice President Corporate Planning & Business Development	39	PGDM (IIM) B Tech (IIT) 15 Yrs	AGM-Corporate Planning Pennar Group	01.11.99	2,97,250/-

1. Remuneration includes expenditure incurred by the company on salary and for provision of benefits to the above employee.
2. Contractual terms of employment provide for termination of services by either party upon giving 3 months notice.
3. The above mentioned employee is not a relative of any director of the Company

Hyderabad,
August 28th, 2000

By Order of the Board

S.RAVI
CHAIRMAN

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