

SMR UNIVERSAL SOFTECH LIMITED

ANNUAL
REPORT

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2002 - 2003

SMR UNIVERSAL SOFTECH LIMITED



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Annual Report

2002-2003

SMR UNIVERSAL SOFTECH LIMITED

BOARD OF DIRECTORS

Dr. R Palaniappan
Mr. K N Kumaresan
Ms. Karen Ong
Mr. S Moorthy
Mr. A.X.N..Prabhu
Mr. Mubeenur Rehman

Chairman
Managing Director
Director
Director
Director
Director

COMPANY SECRETARY

MR. BALASUBRAMANI

AUDITORS

Mr.C.N.Srinivasan
Chartered Accountant
7A, Kalinga Colony,
P.T. Rajan Salai
K.K.Nagar, Chennai .

BANKERS

Corporation Bank Kellys Branch- Chennai – 10
ICICI Bank Purasawalkam Branch – Chennai – 7
Andhra Bank Sowcarpet Branch – Chennai – 79

REGISTERED OFFICE

5, Damodharan Street,
Kellys Chennai-600 010

BRANCH OFFICE

542 Bharathi Street
Pondicherry -605 001

SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited,
"Subramaniam Building", V Floor,
1, Club House Road, Chennai-600 002.
Phone (044) 28460390 (5 lines)
Fax: (044) 28460129

SMR UNIVERSAL SOFTECH LIMITED

NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the members of SMR Universal Softech Limited will be held on Thursday, the 25th September, 2003 at 9.00 A.M at Arunthathi Mahal, No 70, Patel Road, Chennai-11 to transact following business:

ORDINARY BUSINESS:

01. To receive, consider and adopt the audited Balance Sheet as at 31st March 2003 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
02. To appoint a Director in place of Ms.Karen Ong who retires by rotation and being eligible offers herself for re-appointment.
03. To appoint a Director in place of Shri A.X.N.Prabhu who retires by rotation and being eligible offers himself for re-appointment.
04. To appoint Auditors and fix their remuneration.

By order of the Board,
For SMR Universal Softech Limited

Place: Chennai
Date: 30th June 2003

(K . N. Kumaresan)
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 the proxy need not be a member of the Company.
2. The proxy form in order to be effective must be deposited at the Registered office of the company not less than 48 hours before commencement of the meeting
3. The Register of Members and the Transfer of book in respect of the Equity shares will remain closed from 24th September 2003 to 25th September 2003 both days inclusive.
4. The Members' are requested to Intimate to the Registrar and Transfer Agents, Cameo Corporate Services Limited #1, Subramaniam Building, Club House Road, Mount Road, Chennai-2, change of address, if any, at the earliest quoting their registered folio.
5. The shares of the company are in the compulsory dematerialization list specified by SEBI and are traded in the demat mode and the share holders are requested to get their holding dematerialised as early as possible, in their own interest.
6. Members who want any additional details in respect of accounts may send their queries at least 7 days before Annual General Meeting for our reply.

SMR UNIVERSAL SOFTECH LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have great pleasure in presenting the Third Annual Report of the company with audited accounts for the year ended 31st March 2003.

	Rupees in Lakhs	
1.Financial Results:	Year ended 31.03.2003	Year ended 31.03.2002
Income from Operations	465.68	1107.05
Profit before Depreciation	250.20	362.05
Less: Depreciation	246.49	117.71
Profit before Tax	3.71	244.34
Provisions for Tax-Current & Deferred	1.66	79.66
Profit After Tax	2.05	164.68
Balance carried forward to Balance Sheet	148.93	168.63

2.Dividend:

In view of the marginal profit your directors do not recommend any dividend for the year under review.

3.DIRECTORS

Mr A.X.N.Prabhu and Ms.Karen Ong Directors of the company are retiring by rotation at the Annual General Meeting and being eligible they offer themselves for re-appointment

3.DEPOSITS:

The Company has not accepted any deposit from the public.

4.DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to 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;

SMR UNIVERSAL SOFTECH LIMITED

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis.

5. LISTING:

The Company's shares are listed in Chennai and Mumbai Stock Exchanges. Further the Shares are traded in demat mode also.

6. AUDITOR AND AUDITOR'S REPORT:

Mr.C.N.Srinivasan, Chartered Accountant Statutory Auditor holds his office at the conclusion of the Annual General Meeting and is eligible for re-appointment

7. CORPORATE GOVERNANCE:

Your company has always striven to incorporate appropriate standards for good corporate governance. It has taken adequate steps to ensure that all mandatory provisions of corporate governance as prescribed under the amended listing agreements of the stock exchanges, with which the company is listed, are complied with. A separate report on corporate governance is produced as a part of the Directors report.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO:

The Company has no activity relating to Conservation of energy or technology absorption.

During the Financial year 2002-2003 the company had exported software to the tune of US \$ 19159 equivalent to Rs. 900000/- for which the company has received Rs.386500/- is yet to receive Rs.513500/-

The Company has spent US \$ 600 on travel by the Directors in order to give demonstrations to various international prospective clients.

9. STATEMENT UNDER SECTION 217(2A) ON PERSONNEL:

Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 are not applicable since none of the employees are in receipt of remuneration in excess of the limits specified herein during the period under review.

10. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their deep appreciation of the dedication and commitment of employees to the growth of your Company during the year. Your Directors also express their sincere gratitude to the Banks, Consultants, Auditors and shareholders for their continued patronage and Co-operation.

For and on behalf of the Board ,
For SMR Universal Softech Limited

Place : Chennai
Date : 30th June 2003

(K.N.KUMARESAN)
Managing Director

SMR UNIVERSAL SOFTECH LIMITED

ANNEXURE TO DIRECTORS' REPORT

STATEMENTS AND REPORTS ON CORPORATE GOVERNANCE:

A . MANDATORY REPORTS ON CORPORATE GEVERNANCE :-

Company's Philosophy On Corporate Governance:

The company's Philosophy of corporate governance is aimed at exhibiting maximum transparency to the investors by providing them with more information. This is done not only with the information that are to be revealed under mandatory provisions but also with those information which according to the Management and the Board are relevant to the Investors and other Statutory Authorities to whom these Reports are addressed to.

Board of Directors:

The Board of Directors is comprised of 1 Executive Director 1 Non Executive & Non-Independent Director and 4 Non-Executive Independent Directors.

Dr. Palaniappan – Chairman – (Non Executive - Non-independent Director)

He is a world renowned scholar in Human Resources Management Studies. He has done his P.hd in HRD at California Coast University, USA. He is a fellow member of the Institute of the Training & Development, UK and a Member of Association of Psychological Type USA. He is a co-producer of internationally renowned software HRDPOWER and developer of the web based "Train the Trainer on Line University". His books and Videos are available in digital format. Essentially he is a world famous consultant in HRD profession. He is the driving force in converting the goals and directions of the Board into realities.

He is not holding Directorship in any other Company in India

He is not a Chairman / Member of any of the Committees.

Mr. K N Kumaresan – Managing Director – (Executive & Non Independent)

He is a graduate from University of Madras. He is a businessman. He is a veteran in liaising with various marketing agencies as well as government authorities. His rich experience is source of knowledge for the Board. The Board is greatly benefited by him.

He is not holding Directorship in any other Company.

He is a not a Chairman / Member of any of the Committees.

Ms. Karen Ong – Director – (Non-Executive & Independent)

She is Learner oriented and Participative trainer. She is a certified instructor for the Zenger- Miller Front line Leadership Programme and has trained hundred of executives. She had also designed,

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developed and delivered training workshops in Business Telephone Etiquette, Secretarial, Clerical and image enhancement over the last 5 years. Her services and ideas with acumen are of great help to the company as well as the Board.

She is not a Chair person / member of any of the committees

Mr. S Moorthy – Director – (Non Executive & Independent)

He is Graduate in science and he is having all round exposure in the nuances of Management.

He is not holding Directorship in any other Company.

He is a Member/Chairman of the following committees.

- | | |
|---|------------|
| a. Remuneration Committee. | - Chairman |
| b. Audit Committee | - Member |
| c. Investors/Shareholders Grievance Committee | - Member |

Mr. A.X.N.Prabhu -Director- (Non-Executive & Independent)

He is a graduate in the discipline of Corporate Secretaryship, from University of Madras. Further he is a Graduate in Law . He has also done Master Degree program in Business Administration with a Specialization in Finance and Computer Applications.. Further he is a Fellow member of the Institute of Company Secretaries of India. He has got about two decades of rich experience in Accounts, Secretarial and Corporate Law related matters His caliber and rich experience in finance and knowledge compliance to Accounting Standards are of great help to the company as well as the Board. He is one of the precious treasures of the company.

He is holding Directorship in the following Companies.

- a. M/s Integrated Hi-tech India Limited
- b. M/s. Suntrack Diamonds Limited.
- c. M/s. Mardia Sons holdings limited.

He is a member / Chairman of the following:

- | | |
|---|------------|
| a. Investors/Shareholders Grievance Committee | - Chairman |
| b. Audit Committee | - Member |
| c. Remuneration Committee | - Member |

SMR UNIVERSAL SOFTECH LIMITED**Mr. Mubeenur Rehman - Director- (Non-Executive & Independent)**

He is a business man. He is a veteran in liasoning with various marketing agencies as well as government authorities. His rich experience is source of knowledge for the Board. The Board is greatly benefited by him. He is a Member/Chairman of the following committees.

He is not holding Directorship in any other Company.

He is a Member/Chairman of the following committees.

- a. Audit Committee - Chairman
- b. Investors/Shareholders Grievance Committee - Member
- c. Remuneration Committee. - Member

Board Meetings :-

Number of Board meetings held and the dates on which it was held: Seventeen meetings were held. Dates: 14th June 2002, 15th June 2002 18th June 2002, 19th June 2002, 1st July 2002, 3rd July 2002, 4th July 2002 11th July 2002, 25th July 2002, 31st July 2002, 2nd September 2002, 30th October 2002, 31st January 2003, 5th February 2003, 10th February 2003, 27th February 2003 and 20th March 2003.

Attendance of each Director at the Board meeting and last AGM

Name of the director	Particulars	No of Board meetings attended	Attendance at the last AGM
Mr.K.N.Kumaresan	Mg.Director	17	Yes
Mr S. Moorthy	Director	17	Yes
Dr. Palaniappan	Chairman	0	Yes
Ms.Karen Ong	Director	0	No
Mr.A.X.N.Prabhu	Director	11	Yes
Mr. Mubeenur Rehman	Director	11,	Yes

None of the Directors is a member in more than 10 committees or acting as Chairman of more than five committees.

SMR UNIVERSAL SOFTECH LIMITED**REMUNERATION TO DIRECTORS**

The details of remuneration paid to Directors for the year ended March 31, 2003 is as follows:

Name of the director	Sitting Fees (Rs)	Salaries and perquisites (Rs)	Commission (Rs)	Total Rs.
Mr.K.N.Kumaresan (Managing Director)	Nil	72000	Nil	72,000
Mr S . Moorthy	8000	Nil	Nil	8,000
Dr.Plalaniappan	Nil	Nil	Nil	Nil
Ms. Karen Ong	Nil	Nil	Nil	Nil
Mr.A.X.N.Prabhu	5500	Nil	Nil	5,500
Mr.Mubeenur Rehman	5500	Nil	Nil	5,500

The agreement with the Managing Director is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving one month notice to other party.

The Company does not have a scheme for grant of stock options to the Directors.

Audit Committee:

There exist a qualified and independent audit committee comprised of M/s.A XN Prabhu, Moorthy and Mubeenur Rehman all non-executive Directors. Mr Mubineer Rahman is the Chairman of this Committee. The Audit Committee meetings were held six times during the year under review.

The committee oversees, inter alia, the financial reporting system, disclosure requirements and matters relating to appointment and remuneration of statutory auditors. The committee also reviews periodically the financial accounts, adherence to Accounting Standards, internal control systems, financial and risk management policies of the company;