



18th Annual Report 2012-2013

Annual Report 2012-13

Board of Directors

Mrs. Anita Chitturi	:	Managing Director
Mr. Narendra Chitturi	:	Director
Mr. Indrayya Chitturi	:	Director
Mr. Nalla Bulli Venkaiah	:	Director
Mr. Bethina Hanumantha Rao	:	Director
Mr. Sudhakar Devarapalli	:	Director

Registered Office : Door No: 15-93/5, Aganampudi,
B C Colony, Gajuwaka, Visakhapatnam,
Andhra Pradesh - 530046

Auditors : M/s. L N P & Co.
H.No. 7-1-636/23, 2nd Floor, Sri Ganesh Nilayam,
Near ESI, S.R. Nagar, Hyderabad - 500038

Share Transfer Agents : M/s Karvy Computershare Pvt Ltd,
Plot No. 17-24, Vittal Rao Nagar, Madhapur,
Hyderabad, AP 500081

Corporate Office : Flat No.201, Sri Mukha Residency,
Sri Nagar Colony, Hyderabad
Andhra Pradesh 500073.

Bankers : State Bank of India
PBB Phase, Masab Tank Branch, Hyderabad

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Company will be held on Monday September 30, 2013 at 09.30 AM at D No 15-93/5, Aganampudi, B C Colony, Gajuwaka, Visakhapatnam - 530046 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 Statement of Profit and Loss for the year ended on that date together with the notes and schedules of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chitturi Indrayya who retires by rotation and being eligible, offers him-self for reappointment.
3. To appoint a Director in place of Mr. Nalla Bulli Venkaiah who retires by rotation and being eligible, offers him-self for reappointment.
4. To appoint M/s. L N P & Co, Chartered Accountants, Hyderabad, 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.

By order of the Board

Place : Hyderabad
Date : 31.08.2013

Sd/-
Anita Chitturi
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) Explanatory Statement as per Sec.173 (2) of the Companies Act, 1956 in respect of special business is annexed hereto.
- 4) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 26th 2013 to Monday, September 30th 2013, both days inclusive, for the purpose of Annual General Meeting.
- 5) The brief profile of Directors liable to retire by rotation and proposed to be appointed are as under:

Mr. Chitturi Indrayya: He is Graduate and has rich experience of 25 years in the fields of manufacturing and finance activities.

Mr. Nalla Bulli Venkaiah: He is a Graduate and having 20 years of relevant experience in marketing and human resources.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the Company's EIGHTEENTH ANNUAL REPORT together with the Audited Accounts of the Company for the Year ended March 31, 2013 and the Auditor's Report thereon:

Financial Results:

The Financial results for the period ended 31st March, 2013 are summarized below:

Particulars	2012-13 Rs. In Lakh	2011-12 Rs. In Lakh
Sales	16.87	68.88
Expenditure	36.14	65.71
Profit/ (Loss) before Tax	(19.27)	3.17
Provision for Tax	0.00	0.60
Profit/ (Loss) after Tax	(19.27)	2.57

Performance:

During the year 2012-13, the Company has achieved a turnover of Rs.16.87 Lakhs only and incurred a net loss of Rs.19.27 Lakhs. The entire income is earned from software services. The year under review has been encouraging and we expect ensuing financial year to be more fruitful as the company is setting the floor for achieving its targets.

Public Deposits

Your Directors report that the Company has not accepted any deposits from public during the year under review.

Insurance

All the fixed assets and movable assets of the Company are adequately insured.

Director's responsibility statement

The Directors' responsibility statement setting out the compliance with the accounting and financial reporting requirements specified under Section 217 (2AA) of the Companies Act, 1956, in respect of the financial statements is as follows:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That 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 or loss of the company for that period;
- (iii) That 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, for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared annual accounts on a going concern basis.

Directors:

Mr. Chitturi Indrayya and Mr. Nalla Bulli Venkaiah will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

Auditors:

The existing Statutory Auditors of the company, M/s. L N P & Co, Chartered Accountants, Hyderabad retire at the conclusion of the ensuing Annual General Meeting offer themselves for re-appointment till the conclusion of the next Annual General Meeting.

The Company has received letter from them to the effect that their appointment if made would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

Corporate Governance:

The report on Corporate Governance is annexed which forms part of this Report

Particulars of Employees

The particulars of the employees falling within the purview of the section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are Nil.

Conservation of Energy Etc

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1987 is given hereunder:

A) Conservation of Energy:

The company's operations require low energy consumption. Adequate measures are taken to conserve energy whenever possible.

B) Technology Absorption, Research & Development:

There was no specific research and development activity carried out by the Company during the year under review.

C) Foreign Exchange Earnings and Outgo is Nil.**Personnel:**

The company has maintained cordial relations with the employees during the year under review. The Company has been restructuring the human resources according to the business requirements of the Company.

Acknowledgement:

Your Directors take this opportunity to place on record their appreciation and gratitude for the co-operation, assistance, guidance and support extended by the Company's Bankers, Shareholders, customers and various Central and State Government Agencies and Local Authorities, Personnel at various levels of the organization.

For and on behalf of the Board

Place : Hyderabad
Date : 31.08.2013

Sd/-
Anita Chitturi
Managing Director

Sd/-
Narendra Chitturi
Director

Corporate Governance

INTRODUCTION:

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreement with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

1) Company's Philosophy on the Code of Governance

The company firmly believes in and has consistently practiced good Corporate Governance. The Company's Philosophy on Corporate Governance envisages the attainment of transparency, accountability and equity, in all its operations and in all its interactions with shareholders, employees, the Government and lenders.

The company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

2) Board of Directors

The Composition of the Board of Directors of the company meets the stipulated requirements. The Board of Directors comprises a Managing Director, One executive director and four non-executive Directors. The Board functions as a full Board or through Committees. The Board and the Committees meet at regular intervals to discuss on areas of Policy formulation, evaluation of performance and control functions vest with Board, while the Committees oversee operational issues. During the year ended 31st March, 2013, the Board Meetings were held on the following dates: 23.04.2012, 14.05.2012, 14.08.2012, 03.09.2012, 14.11.2012 and 08.02.2013.

Name of Director	Category	Designation	No. of Meetings held during the last financial year	No. of Meetings attended	No. of Memberships in the Board of other Companies	Attendance of each director in the last AGM
Mr. Bethina Hanumantha Rao	Executive	Director	6	4	0	Yes
Mrs. Anita Chitturi	Promoter and Executive	Managing Director	6	5	6	Yes
Mr. Narendra Chitturi	Promoter and Non-Executive Director	Additional Director	6	5	8	Yes
Mr. Indrayya Chitturi	Independent and Non- Executive	Additional Director	6	4	0	Yes
Mr. Nalla Bulli Venkaiah	Independent and Non- Executive	Additional Director	6	4	1	Yes
Mr. Sudhakar Devarapalli	Independent and non-Executive	Additional Director	6	4	0	Yes

COMMITTEES OF THE BOARD

3) Audit Committee

The audit committee consists of three directors viz., Mr. Sudhakar Devarapalli, Mr. Nalla Bulli Venkaiah and Mr. Chitturi Indrayya whereas Mr. Sudhakar Devarapalli acts as the Chairman of the Committee. Audit Committee is constituted as under:

1. Mr. Sudhakar Devarapalli - Chairman
2. Mr. Nalla Bulli Venkaiah - Member
3. Mr. Chitturi Indrayya - Member

During the period, the Committee has met 5 times viz., 14.05.2012, 14.08.2012, 03.09.2012, 14.11.2012 and 08.02.2013.

Terms of Reference

- a) Reviewing the adequacy of internal control systems and the internal audit reports and their compliance thereof.
- b) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- c) Recommending the appointment of external auditors and fixation of their audit fee and also approval for payment for any other services.