

2nd Annual Report 2000-2001



V & K Softech Limited

REGD.OFFICE: C-23, Road No.8, Film Nagar, Jubilee Hills, Hyderabad - 500 034

CORP.OFFICE: Plot No. 1, Road No.82, Jubilee Hills, Hyderabad - 500 033

Tel : (040) 355 4318, 355 3673 & 355 4319



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BOARD OF DIRECTORS

P.Harinadha Babu	Chairman
P.Mohan Prasad	Managing Director
P.V.Shyam Prasad	Joint Managing Director
D.Uday Kiran	Executive Director
Y.Krishna Prasad	Director-Marketing
Mrs. P.Santhi	Alternate Director to Y.Krishna Prasad
K.Jagadeeswar Reddy	Director-Operations
Mrs. P.Nirmala Devi	Alternate Director to K.Jagadeeswar Reddy
V.Naveen	Director
P.Laxmipathi Raju	Director
R.Sai Gopal	Director
T.Venu Gopal Rao	Director

AUDITORS

Pinnamaneni & Co.,
Chartered Accountants,
3 & 4 Ground, RAM'S VSR Apartments,
Mogalrajpuram,
VIJAYAWADA - 520 010. (A.P.)

BANKERS

Global Trust Bank, Ameerpet, HYDERABAD
ICICI Bank, Koti Branch, HYDERABAD
Coastal Bank, Governorpet, VIJAYAWADA
Oriental Bank of Commerce, VIJAYAWADA
City Bank, N.A., HYDERABAD

LISTING

Hyderabad Stock Exchange Limited, Hyderabad
The Stock Exchange, Mumbai
The Calcutta Stock Exchange Association Ltd.,
Calcutta

SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E/2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (East), MUMBAI - 400 072

REGISTERED OFFICE

C 23, Road No.8,
Film Nagar,
Jubilee Hills,
Hyderabad - 500 034

CORPORATE OFFICE

Plot No. 1, Road No. 82,
Jubilee Hills,
Hyderabad - 500 033
Tel: 040 - 355 4318, 355 3673
Fax: 040 - 355 4319

SECOND ANNUAL GENERAL MEETING

Date : 28th September, 2001
Time : 4.00 P.M.
Day : Friday
Venue : Lakpathi Buildings,
S.D.Road,
Near Paradise Centre,
Secunderabad.

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**V & K Softech Limited****SHAREHOLDERS DETAILS****Registered Office**

C 23, Road No.8,
Film Nagar,
Jubilee Hills,
Hyderabad - 500 034

Corporate Office

Plot No. 1, Road No. 82,
Jubilee Hills,
Hyderabad - 500 033
Tel: 040 - 355 4318, 355 3673
Fax: 040 - 355 4319

Annual General Meeting

2nd Annual General Meeting will be held on 28th September, 2001 at 4.00 p.m.

Venue

Lakpathi Buildings
S.D.Road, Near Paradise Centre
Secunderabad

Agenda

Adoption of Accounts for 2000-01
Re-appointment of retiring directors
Re-appointment of Auditors

Book Closure

Our Register of Members will remain closed from 26th September, 2001 to 28th September, 2001.

Transfer Window

Share Transfer Agents
Bigshare Services Pvt. Ltd
E/2, Ansa Industrial Estate
Sakivihar Road, Sakinaka
Andheri (East), MUMBAI - 400 072

Share Listing

The Hyderabad Stock Exchange Ltd., Hyderabad
The Stock Exchange, Mumbai
The Calcutta Stock Exchange Association Ltd., Calcutta



NOTICE TO THE SHARE HOLDERS

Notice is hereby given that Second Annual General Meeting of the Company will be held on Friday, the 28th September 2001 at 04.00 PM at Lakpathi Buildings, S.D.Road, Near Paradise Centre, Secunderabad to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31.03.2001 and the Profit and Loss account for the year ended on that date, along with Directors' and Auditors' reports thereon.
2. To appoint a Director in the place of Mr. P.Harinadha Babu, the Director, who retires by rotation and being eligible offers him self for reappointment.
3. To appoint the Auditor and fix the remuneration. M/s. Pinnamaneni & Co, the statutory auditors, vacate their office at this meeting and are eligible for appointment.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Section 94 (1) (a) of the Companies Act 1956 and other applicable provisions, if any, the authorized share capital of the Company be and is hereby increased from Rs.10,50,00,000 (Rupees Ten Crores Fifty Lakhs only) divided in to 1,05,00,000 (One Crore Five Lakhs only) Equity Shares of Rs.10/- (Rupees Ten only) each, to Rs.10,66,00,000 (Rupees Ten Crores Sixty Six Lakhs only) divided into 1,06,60,000 (One Crore Six lakhs Sixty Thousand).

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

RESOLVED THAT pursuant to Section 16 and any other applicable provisions of the Companies Act 1956, the Memorandum of Association of the Company be and is here by altered by deleting Clause V and substituting the following as Clause V.

V The authorized share capital of the Company is Rs.10,66,00,000 (Rupees Ten Crores Sixty Six Lakhs only) divided into 1,06,60,000 (One Crore Six Lakhs Sixty Thousand only) equity shares of Rs.10/- (Rupees Ten only) each with power to sub divide, consolidate, increase and reduce the capital and to divide the shares in the capital for the time being in to several classes and attach thereto respectively such preferential or special rights and privileges and conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided in regulation of the Company.

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

RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act 1956, the existing article 3 of the Articles of Association of the Company be and is here by deleted and in its place the following article 3 be substituted.

3 The authorised share capital of the Company is Rs.10,66,00,000 (Rupees Ten Crores Sixty Six Lakhs only) divided into 1,06,60,000 (One Crore Six Lakhs Sixty Thousand only) equity shares of Rs.10/- (Rupees Ten only).

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

RESOLVED THAT pursuant to the provisions of Section 81 (1A) and any other applicable provisions of the Companies Act 1956 (including any statutory modification,



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amendment or reenactment thereof, for the time being in force) and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement(s) entered in to by the Company with the Stock Exchange(s), where the shares of the Company are listed, and subject to the consents, sanctions, permissions or approvals from the Securities and Exchange Board of India (SEBI), and subject to the consent of other statutory bodies as applicable, and subject to such approval, consents, permissions and sanctions as may be necessary from appropriate authorities or bodies which may be agreed to by the Board of Directors of the Company (hereinafter called "The Board"), and/or a duly authorised committee thereof for the time being exercising the powers conferred on the Board (hereinafter called "The Committee") the CONSENT OF THE COMPANY BE AND IS HERE BY GIVEN to the Board to offer/issue/allot a total of 6,00,000 Equity Shares of Rs.10/- each on a preferential basis to M/s. Sibar Software Services (India) Limited, having the registered office at Sibar Towers, 27-16-75, 2nd Floor, Besant Road, Governorpet, Vijayawada – 520 002, Andhra Pradesh under the swap of equity shares, and on such terms and conditions as mentioned in the agreement entered with the afore said company.

RESOLVED FURTHER THAT the Equity Shares so issued shall rank PARI PASSU with the existing Equity Shares of the Company except that they shall be entitled to the dividend with effect from the date of allotment on pro rata basis for the financial year in which they are allotted.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and hereby authorise to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper are desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/ issue/allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalise and execute all

documents in writing as may be necessary, proper, desirable or expedient as it may deem fit.

8. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, Mr. P.V. Mohan Prasad, aged 35 years and a MBA (MIS) Postgraduate and MS in computer Science be and is hereby reappointed as Managing Director of the company for a period of 3 (Three) years with effect from 01.06.2001 and the terms of his appointment are as under:

Remuneration:

1. Remuneration : Rs. 22,000 per month
2. Conveyance : Rs. 1,000 per month
3. Professional Development Allowance : Rs.500 per month
4. Bonus/Exgratia: As payable to other officers of the Company but not exceeding 20% of the annual salary.
5. Commission: At such rate not exceeding 50% of the remuneration or 1% of the net profits of the Company as computed under section 349 of the Companies Act, 1956 or as may be decided by the Board of Directors from time to time.
6. Perquisites and their money values:
 - A. PROVIDENT FUND: Company's contribution towards provident fund subject to a ceiling as maximum permissible limits as prescribed by Central Government from time to time.
 - B. PENSION/SUPER-ANNUATION FUND: Company's contribution towards pension/ super-annuation fund subject to a ceiling of 15% of the salary subject to the conditions that aggregate of contribution towards superannuation fund and provident fund shall not exceed 25% of the salary.



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C. **GRATUITY:** Gratuity payable in accordance with an approved fund or otherwise, which does not exceed half a month's salary for each completed year of service.

D. **MEDICAL:** The reimbursement of expenses incurred by the Managing Director for himself, his wife and children and parents on account of medical, hospital, dental, optical, surgical and nursing home charges and travelling expenses in connection therewith subject however to a ceiling of one month salary in each year with a right to accumulation upto 3 years.

E. **ACCOMMODATION:** Rent-free furnished residential accommodation including furniture, fixtures, appliances, gas, electricity, water etc. The monthly value of which will be evaluated as per Rule 3 of the Income-tax Rules, 1962. Such residential accommodation may be owned, leased, hired or on compensation basis or taken on leave and license basis by the company. He will be entitled to all amenities such as furniture, fixtures, appliances, gas, electricity, water etc.

F. **Servant payments** to be made by the company with a maximum of Rs. 500 per month.

G. **Free telephone facility** at residence.

H. **Fees of clubs** subject to a maximum of two clubs. This will not include admission and life membership fee.

I. **Leave on full pay and allowance** as per the rules of the company but not exceeding one month's leave for every 11 month's service subject to entitlement to accumulate such leave and the leave not availed of may be allowed to be encashed.

J. **Reimbursement of all expenses** including entertainment and travelling expenses incurred by him in connection with the company's business.

K. **Personal Accident Insurance:** Premium not to exceed Rs. 2500 per annum

Explanation: Family means the spouse, the dependent children and the dependent parents of the Managing Director.

Notwithstanding anything herein, wherein any financial year, during the currency of the tenure of the Managing Director the Company has no profits or its profits are inadequate, the company will pay him the remuneration by way of salary & perquisites specified above.

RESOLVED FURTHER THAT the Board of Directors can revise from time to time the remuneration payable to him, including any increase in the remuneration during tenure of his appointment.

9. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, Mr. P.V. Shyam Prasad, aged 33 years and a graduate in commerce and who was the promoter - director of the Company be and is hereby appointed as Joint Managing Director of the company for a period of 5 (Five) years with effect from 28.01.2001 and the terms of his appointment are as under:

Remuneration :

1. **Remuneration :** Rs. 22,000 per month
2. **Conveyance :** Rs. 1,000 per month
3. **Professional Development Allowance :** Rs. 500 per month
4. **Bonus/Exgratia :** As payable to other officers of the Company but not exceeding 20% of the annual salary.
5. **Commission:** At such rate not exceeding 50% of the remuneration or 1% of the net profits of the Company as computed under section 349 of the Companies Act, 1956 or as may be decided by the Board of Directors from time to time.
6. **Perquisites and their money values:**



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- A. **PROVIDENT FUND:** Company's contribution towards provident fund subject to a ceiling as maximum permissible limits as prescribed by Central Government from time to time.
- B. **PENSION/SUPER-ANNUATION FUND:** Company's contribution towards pension/super-annuation fund subject to a ceiling of 15% of the salary subject to the conditions that aggregate of contribution towards superannuation fund and provident fund shall not exceed 25% of the salary.
- C. **GRATUITY:** Gratuity payable in accordance with an approved fund or otherwise, which does not exceed half a month's salary for each completed year of service.
- D. **MEDICAL:** The reimbursement of expenses incurred by the Joint Managing Director for himself, his wife and children and parents on account of medical, hospital, dental, optical, surgical and nursing home charges and travelling expenses in connection therewith subject however to a ceiling of one month salary in each year with a right to accumulation up to 3 years.
- E. **ACCOMMODATION:** Rent-free furnished residential accommodation including furniture, fixtures, appliances, gas, electricity, water etc. The monthly value of which will be evaluated as per Rule 3 of the Income-tax Rules, 1962. Such residential accommodation may be owned, leased, hired or on compensation basis or taken on leave and license basis by the company. He will be entitled to all amenities such as furniture, fixtures, appliances, gas, electricity, water etc.
- F. **Servant payments** to be made by the company with a maximum of Rs. 500 per month.
- G. **Free telephone facility** at residence.
- H. **Fees of clubs** subject to a maximum of two clubs. This will not include admission and life membership fee.
- I. **Leave** on full pay and allowance as per the rules of the company but not exceeding one month's leave for every 11 month's service subject to entitlement to accumulate such leave and the leave not availed of may be allowed to be encashed.
- J. **Reimbursement** of all expenses including entertainment and travelling expenses incurred by him in connection with the company's business.
- K. **Personal Accident Insurance:** Premium not to exceed Rs. 2500 per annum
- Explanation: Family means the spouse, the dependent children and the dependent parents of the Joint Managing Director.
- Notwithstanding anything herein, wherein any financial year, during the currency of the tenure of the Joint Managing Director the Company has no profits or its profits are inadequate, the company will pay him the remuneration by way of salary & perquisites specified above.
- RESOLVED FURTHER THAT the Board of Directors can revise from time to time the remuneration payable to him, including any increase in the remuneration during tenure of the present appointment as Joint Managing Director.
10. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution
- RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, Mr. Uday Kiran Devineni, aged 32 years and an Engineering graduate with Diploma in Management be and is hereby reappointed as Executive Director of the company for a period of 3 (Three) years with effect from 01.06.2001 and the terms of his appointment are as under:

2nd Annual Report**Remuneration:**

1. Remuneration : Rs. 17,500 per month
 2. Conveyance : Rs. 1,000 per month
 3. Professional Development Allowance : Rs.500 per month
 4. Bonus/Exgratia: As payable to other officers of the Company but not exceeding 20% of the annual salary.
 5. Commission : At such rate not exceeding 50% of the remuneration or 1% of the net profits of the Company as computed under section 349 of the Companies Act, 1956 or as may be decided by the Board of Directors from time to time.
 6. Perquisites and their money values:
 - A. PROVIDENT FUND: Company's contribution towards provident fund subject to a ceiling as maximum permissible limits as prescribed by Central Government from time to time.
 - B. PENSION/SUPER-ANNUATION FUND: Company's contribution towards pension/ super-annuation fund subject to a ceiling of 15% of the salary subject to the conditions that aggregate of contribution towards superannuation fund and provident fund shall not exceed 25% of the salary.
 - C. GRATUITY: Gratuity payable in accordance with an approved fund or otherwise, which does not exceed half a month's salary for each completed year of service.
 - D. MEDICAL: The reimbursement of expenses incurred by the Executive Director for himself, his wife and children and parents on account of medical, hospital, dental, optical, surgical and nursing home charges and travelling expenses in connection therewith subject however to a ceiling of one month salary in each year with a right to accumulation upto 3 years.
 - E. ACCOMMODATION: Rent-free furnished residential accommodation including furniture, fixtures, appliances, gas, electricity, water etc. The monthly value of which will be evaluated as per Rule 3 of the Income-tax Rules, 1962.
- Such residential accommodation may be owned, leased, hired or on compensation basis or taken on leave and license basis by the company. He will be entitled to all amenities such as furniture, fixtures, appliances, gas, electricity, water etc.
- F. Servant payments to be made by the company with a maximum of Rs. 500 per month.
 - G. Free telephone facility at residence.
 - H. Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
 - I. Leave on full pay and allowance as per the rules of the company but not exceeding one month's leave for every 11 month's service subject to entitlement to accumulate such leave and the leave not availed of may be allowed to be encashed.
 - J. Reimbursement of all expenses including entertainment and travelling expenses incurred by him in connection with the company's business.
 - K. Personal Accident Insurance: Premium not to exceed Rs. 2500 per annum
- Explanation: Family means the spouse, the dependent children and the dependent parents of the Executive Director.
- Notwithstanding anything herein, wherein any financial year, during the currency of the tenure of the Executive Director the Company has no profits or its profits are inadequate, the company will pay him the remuneration by way of salary & perquisites specified above.
- RESOLVED FURTHER THAT the Board of Directors can revise from time to time the remuneration payable to him, including any increase in the remuneration during tenure of his appointment.



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11. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mr. Jagadeeswar Reddy Kalagiri, aged 34 years and a MS in Computer Science be and is hereby reappointed as Director Operations of the company for a period of 3 (Three) years with effect from 01.06.2001 and the terms of his appointment are as under:

Remuneration:

1. Remuneration : Rs. 17,500 per month
2. Conveyance : Rs. 1,000 per month
3. Professional Development Allowance : Rs. 500 per month
4. Bonus/Exgratia: As payable to other officers of the Company but not exceeding 20% of the annual salary.
5. Commission : At such rate not exceeding 50% of the remuneration or 1% of the net profits of the Company as computed under section 349 of the Companies Act, 1956 or as may be decided by the Board of Directors from time to time.

6. Perquisites and their money values:

- A. PROVIDENT FUND: Company's contribution towards provident fund subject to a ceiling as maximum permissible limits as prescribed by Central Government from time to time.
- B. PENSION/SUPER-ANNUATION FUND: Company's contribution towards pension/super-annuation fund subject to a ceiling of 15% of the salary subject to the conditions that aggregate of contribution towards superannuation fund and provident fund shall not exceed 25% of the salary.
- C. GRATUITY: Gratuity payable in accordance with an approved fund or otherwise, which does not exceed half a month's salary for each completed year of service.

- D. MEDICAL: The reimbursement of expenses incurred by the Director Operations for himself, his wife and children and parents on account of medical, hospital, dental, optical, surgical and nursing home charges and travelling expenses in connection therewith subject however to a ceiling of one month salary in each year with a right to accumulation upto 3 years.

- E. ACCOMMODATION: Rent-free furnished residential accommodation including furniture, fixtures, appliances, gas, electricity, water etc. The monthly value of which will be evaluated as per Rule 3 of the Income-tax Rules, 1962. Such residential accommodation may be owned, leased, hired or on compensation basis or taken on leave and license basis by the company. He will be entitled to all amenities such as furniture, fixtures, appliances, gas, electricity, water etc.

- F. Servant payments to be made by the company with a maximum of Rs. 500 per month.

- G. Free telephone facility at residence.

- H. Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

- I. Leave on full pay and allowance as per the rules of the company but not exceeding one month's leave for every 11 month's service subject to entitlement to accumulate such leave and the leave not availed of may be allowed to be encashed.

- J. Reimbursement of all expenses including entertainment and traveling expenses incurred by him in connection with the company's business.

- K. Personal Accident Insurance: Premium not to exceed Rs. 2500 per annum

Explanation: Family means the spouse, the dependent children and the dependent parents of the Director Operations.



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Notwithstanding anything herein, wherein any financial year, during the currency of the tenure of the Director- Operations the Company has no profits or its profits are inadequate, the company will pay him the remuneration by way of salary & perquisites specified above.

RESOLVED FURTHER THAT the Board of Directors can revise from time to time the remuneration payable to him, including any increase in the remuneration during tenure of his appointment.

12. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mr. Krishna Prasad Yellamanchili, aged 35 years and a Engineering Graduate and a MS in Computer Science be and is hereby reappointed as Director Marketing of the company for a period of 3 (Three) years with effect from 01.06.2001 and the terms of his appointment are as under:

Remuneration:

1. Remuneration : Rs. 17,500 per month
2. Conveyance : Rs. 1,000 per month
3. Professional Development Allowance : Rs.500 per month
4. Bonus/Exgratia: As payable to other officers of the Company but not exceeding 20% of the annual salary.
5. Commission : At such rate not exceeding 50% of the remuneration or 1% of the net profits of the Company as computed under section 349 of the Companies Act, 1956 or as may be decided by the Board of Directors from time to time.
6. Perquisites and their money values:

A. PROVIDENT FUND: Company's contribution towards provident fund subject to a ceiling as maximum permissible limits as prescribed by Central Government from time to time.

B. PENSION/SUPER-ANNUATION FUND: Company's contribution towards pension/ super-annuation fund subject to a ceiling of 15% of the salary subject to the conditions that aggregate of contribution towards superannuation fund and provident fund shall not exceed 25% of the salary.

C. GRATUITY: Gratuity payable in accordance with an approved fund or otherwise, which does not exceed half a month's salary for each completed year of service.

D. MEDICAL: The reimbursement of expenses incurred by the Director Marketing for himself, his wife and children and parents on account of medical, hospital, dental, optical, surgical and nursing home charges and traveling expenses in connection therewith subject however to a ceiling of one month salary in each year with a right to accumulation up to 3 years.

E. ACCOMMODATION: Rent-free furnished residential accommodation including furniture, fixtures, appliances, gas, electricity, water etc. The monthly value of which will be evaluated as per Rule 3 of the Income-tax Rules, 1962. Such residential accommodation may be owned, leased, hired or on compensation basis or taken on leave and license basis by the company. He will be entitled to all amenities such as furniture, fixtures, appliances, gas, electricity, water etc.

F. Servant payments to be made by the company with a maximum of Rs. 500 per month.

G. Free telephone facility at residence.

H. Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

I. Leave on full pay and allowance as per the rules of the company but not exceeding one month's leave for every 11 month's service subject to entitlement to accumulate such leave and the leave not availed of may be allowed to be encashed.