

4th Annual Report 2002 - 2003

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V&K Softech Limited

Regd. Office: C-23, Road No. : 8, Film Nagar, Jubilee Hills,
HYDERABAD-500033

Tel: (040)23555471, **Fax:** (040) 23555472

**BOARD OF DIRECTORS**

D.UDAY KIRAN	...	Managing Director
J.MURALI MOHAN	...	Joint Managing Director
P.V.SHYAM PRASAD	...	Director
P.LAXMIPATHI RAJU	...	Director
R.SAI GOPAL	...	Director
A.RAMESH	...	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, HYDERABAD,
Coastal Bank, Governerpet, VIJAYAWADA
Oriental Bank of Commerce, VIJAYWADA
Citi Bank, N.A, HYDERABAD

LISTING

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

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 – 500 033

FOURTH ANNUAL GENERAL MEETING	
Date	: 29th November, 2003
Day	: Saturday
Time	: 10.30 A.M
Venue	: C-23, Road No.8, Film Nagar, Jubilee Hills, Hyderabad – 500 033

CONTENTS	Page Nos.
Notice	3
Director's Report	5
Report on Corporate Governance	7
Auditor's Report	12
Balance Sheet	14
Profit and Loss Account	15
Notes to the Accounts	20
Balance Sheet Abstract	22
Cash Flow Statement	23



V & K Softech Limited

SHAREHOLDERS DETAILS

REGISTERED OFFICE

C-23, Road No.8,
Film Nagar, Jubilee Hills,
Hyderabad – 500 033
Tel : 23555471
Fax: 23555472

Annual General Meeting

4th Annual General Meeting will be held on 29th November, 2003 at 10.30A.M

Venue

C-23, Road No.8,
Film Nagar, Jubilee Hills,
Hyderabad – 500 033

Agenda

Adoption of Accounts for 2002-03
Re-appointment of retiring directors
Re-appointment of Auditors
Special Business

Book Closure

The Register of Members will remain closed from 27th November, 2003 to 29th November, 2003 (Both days inclusive)

Transfer Window

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

Share Listing

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



NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the 4th Annual General Meeting of the Company will be held on Saturday, the 29th November 2003, at 10.30AM at C-23, Road No.8, Film Nagar, Jubilee Hills, Hyderabad – 500 033 to Consider the following :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Report of the Company for the year ended 31-03-2003 along with Director's and Auditor's reports thereon.
2. To appoint a Director in the place of Mr.R. Sai Gopal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors and fix the remuneration the auditors M/s. Pinnamaneni & Co., Vijayawada retire its 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 Sections 94(1) (a) of the Companies Act 1956, and other application provisions, if any authorised share capital of the Company be and thereby increased from Rs. 10,50,00,000 (Ten Crore Fifty Lakhs only) divided into 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 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, 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



V & K Softech Limited

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

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The proxy duly signed must be deposited at the Registered Office of the Company at least 48 hours before the meeting.
3. The Register of Members and Share Transfer Books will remain closed from 27-11-2003 to 29-11-2003 (Both days inclusive).
4. The Explanatory Statement under section 173(2) if the Companies Act 1956 relating to special business is annexed.

By Order of the Board

Sd/-

Place: Hyderabad
Date: 15-10-2003

D. Uday Kiran
Managing Director

EXPLANATORY STATEMENT U/S 173(2)

These items which were not received properly by the shareholders at the earlier AGM, are now placed before them with a request to accord consent there for

Item No.4,5,6

The Board of Directors intend to increase the Authorised Share Capital of the Company from Rs.10,50,00,000/- (Rupees Ten Crores Fifty Lakhs only) divided in to 1,05,00,000 Equity Shares of Rs.10/- 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 only) equity shares of Rs.10/- (Rupees Ten only) each for purpose of issuing shares on preferential allotment to M/s. Sibar Software Services (India) Limited under the swap of equity shares. Hence the above three resolutions for your approval.

None of the Directors is interested in any of these resolutions.

Item No.7

The Company is intending to plan some new projects. In order to finance these projects and to meet increasing working capital requirements, the Company is intending to issue fresh equity share on preferential allotment to M/s. Sibar Software Services (India) Limited and to other Bod Corporates. Hence the company consent is required under section 81 (1A) of the Companies Act, 1956 for further issue of shares. The above resolution is placed for your approval.

None of the Directors is interested in this resolution.

By Order of the Board

Sd/-

Place: Hyderabad
Date: 15-10-2003

D. Uday Kiran
Managing Director



DIRECTORS' REPORT

Dear Members,

(Rs. In Lakhs)

The Board of Directors of may Company take pleasure to present the Fourth Annual Report along with the Balance sheet and Profit and Loss Account, and Auditor's Report thereon for the year ended 31-03-2003.

1. BUSINESS OPERATIONS

The working results of the company for the year 2002 - 03 are as follows:

(Rs. In Lakhs)

Sl	Particulars	Current Year Ended 31-03-2003	Previous Year Ended 31-03-2002
1.	Total Income	41.65	178.65
2.	Total Expenditure	329.56	276.99
3.	Profit/(Loss) before Taxation	-287.91	-98.33
4.	Provision for Taxation	-	-
5.	Net Profit/(Loss) after Taxes	-287.91	-98.33
6.	Equity Capital (Rs.10 Share)	986.65	986.65
7.	Reserves & Reseve Fund	-	-
8.	Earning per Share	-	-
9.	Aggregate of Non-Promoter Share holding		
(a)	No. of Shares.....	74,37800	74,37800
(b)	Percentage.....	69.83	69.83

2. DIVIDEND

The Directors of your Company did not recommend any Dividend in view of business losses

3. PROMISES Vs. PERFORMANCE

The profitability projections as per prospectus dated 11-10-2000 along with actual performance during the year ended 31-03-2003 are given below

Particulars	Projections (2002-03)	Actuals (2002-03)
Gross Income	411.13	-286.91
Interest	6.69	1.00
Profit before Tax	338.71	-287.91
Tax	70.43	-
Profit after Tax	268.28	-287.91
Equity Capital	1005.00	986.65

The gap in attaining the profitability was due to depressive trends obtained all through the year and the general recession in software industry.

4. DIRECTORS

Mr. P.V. Shyam Prasad resigned to his Managing Directorship on 2-06-2003 and he continues as a Director. Sri. A. Ravi Kumar resigned from the Board of Directors on 16-11-2003

Sri. R. Sai Gopal, Director retires by rotation at this meeting and being eligible offers himself for reappointment.

5. AUDITORS

Pinnamaneni & Co., Chartered Accountants, statutory auditors of the Company will retire at the conclusion of this Annual General Meeting and being eligible offer them selves for re-appointment.

6. EMPLOYEES

It is to report that U/s. 217(2A) of the Companies Act, 1956 that there are no employees drawing salary of Rs.1,00,000/- or more p.m. or Rs.12,00,000/- or more per year or part thereof.

7. INFORMATION U/S. 217(1)(e)

Particulars U/S 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given below:



V & K Softech Limited

a. Conservation of Energy:

The Company is making all efforts for conservation of energy. The Company's operations do not involve high-energy consumption. However, an effort to conserve energy goes on a continual basis.

b. Technology Absorption:

Particulars related to technology absorption is not applicable in our case.

c. Foreign Exchange Earnings & Outgoings:

Information related to foreign exchange earnings and outgo during the year under review is provided in notes to accounts.

the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- d) That they have prepared the accounts for the year ended 31st March 2003 on a 'going concern' basis.

10. ACKNOWLEDGEMENT

The Directors place on record their deep sense of appreciation for the wholehearted support and cooperation received from the shareholders, bankers, clients and authorities of stock exchanges. Further they thank all the employees of the company for extending cooperation in achieving good financial results of the company.

By Order of the Board

Sd/-

Place: Hyderabad
Date: 15-10-2003

P. Uday Kiran
Managing Director

8. CORPORATE GOVERNANCE

Your Company has complied with the provisions of Clause 49 of Listing Agreement relating to Corporate Governance and believes that the initiatives on Corporate Governance will assist the Management in the efficient conduct of the business and in meeting its obligations to all its shareholders.

9. DIRECTORS RESPONSIBILITY STATEMENT

As required u/s 217(2AA) of the Companies Act, 1956, your Directors wish to state:

- a) That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That they have selected such accounting policies and applied them consistently and made judgment and estimates that were 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 and Loss of the Company for the period under review;
- c) That they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of