

# **5th Annual Report 2003 - 2004**



## **V & K Softech Limited**

**Regd. Office :** Plot No. 490, Road No. 22,  
Jubilee Hills, HYDERABAD – 33.  
Tel : (040) 30921768, 32325663

**BOARD OF DIRECTORS:**

D.UDAY KIRAN	-	Managing Director
J.MURALI MOHAN	-	Joint Managing Director
P.V.SHYAM PRASAD	-	Director
P.LAXMIPATI RAJU	-	Director
R.SAI GOPAL	-	Director

**AUDITORS**

Pinnamaneni & Co.,  
Chartered Accountants,  
3 & 4, Ram's VSR Apartments,  
Mogarajapuram,  
VIJAYAWADA – 520 010

**BANKERS**

Global Trust Bank, Hyderabad  
ICICI Bank, Hyderabad

**LISTING**

Hyderabad Stock Exchange  
Mumbai Stock Exchange  
Kolkata Stock Exchange

**SHARE TRANSFER AGENTS**

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

**REGISTERED OFFICE**

Plot No.490, Road No.22,  
Jubilee Hills,  
HYDERABAD – 500 033

**FIFTH ANNUAL GENERAL MEETING**

Date : 30<sup>th</sup> September, 2004  
Day : Thursday  
Time : 11.30 A.M  
Venue : Plot No.490,  
Road No.22,  
Jubilee Hills,  
Hyderabad – 33

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**SHARE HOLDERS DETAILS****REGISTERED OFFICE**

Plot No.490, Road No.22,  
Jubilee Hills,  
HYDERABAD – 500 033

**Annual General Meeting**

5<sup>th</sup> Annual General Meeting will be held on 30<sup>th</sup> September 2004, at 11.30 A.M.

**Venue**

Plot No.490, Road No.22,  
Jubilee Hills,  
HYDERABAD – 500 033.

**Agenda**

Adoption of Accounts for 2003-04  
Appointment of retiring Directors  
Appointment of Auditors and fix their remuneration

**Book Closure**

The Register of Members and Share Transfer Registers  
will remain closed from 27-09-04 to 30-09-04(both days inclusive).

**Transfer Window**

Bigshare Services (P) 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. Kolkata.

**NOTICE**

Notice is hereby given that the 5<sup>th</sup> Annual General Meeting of the Company will be held on Thursday the 30<sup>th</sup> September, 2004 at 11.30 A.M. at Plot No.490, Road No.22, Jubilee Hills, Hyderabad – 33 to transact the following business:

1. To adopt financial accounts of the company for the year ended 31-03-2004 along with Directors and Auditors reports thereon.
2. To appoint a Director in the place of Mr.P.Laxmipathy Raju who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration. The auditors M/s. Pinnamaneni & Co., Vijayawada retire at this meeting and are eligible for reappointment.

By Order of the Board

Place: Hyderabad  
Date: 11-08-2004

Sd/-  
**J.Murali Mohan**  
Joint Managing Director

**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 form duly filled and 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 27-09-2004 to 30-09-2004 (Both days inclusive.)



## V &amp; K Softtech Limited

**DIRECTOR'S REPORT**

Dear Members,

The Board of Directors of your Company take pleasure in presenting the Fifth Annual Report along with financial accounts for the year ended 31-03-2004.

**1. BUSINESS OPERATIONS**

(Rs. in Lakhs)

Particulars	Current Year ended 31-03-2004	Previous Year ended 31-03-2003
1. Total Income	106.31	41.65
2. Total Expenditure	234.02	329.56
3. Profit/Loss before Taxation	-111.71	-287.91
4. Provision for Taxation	-	-
5. Net Profit/Loss after Taxation	-111.71	-287.91
6. Equity Capital (Rs.10 Shares)	986.65	986.65
7. Reserves & Reserve Fund	-	-
8. Earning per share	-	-
9. Aggregate of non-promoter Share Holding		
(a) No. of shares...	74,37,800	74,37,800
(b) Percentage...	69.83	69.83

**2. DIVIDEND**

The Directors did not recommend any dividend due to business losses

**3. DIRECTORS**

In accordance with the provisions of Companies Act, 1956 and Articles of Association of the Company, Mr.Laxmipathi Raju retires by rotation and being eligible offer themselves for re-appointment.

Mr.A.Ramesh has tendered his resignation and the same was accepted by the Board of Directors in their Meeting held on 21.03.2004, after duly acknowledging the valuable services rendered by him.

**4. AUDITORS**

PINNAMANENI & Co., Chartered Accountants, appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and are being eligible and offer themselves for re-appointment.

**5. EMPLOYEES U/S.217(2A)**

During the year under review, none of the employees of your Company were in receipt of remuneration in excess of the limits prescribed for disclosure as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee) Rules, 1975 as amended from time to time.

**6. CONSERVATION OF ENERGY ETC U/S 217(1)(e)**

The Company is making all efforts for conservation of energy and the Company's operations do not involve high energy consumption as well. The Technology absorption aspect is not applicable to our company and as such the information related thereto is NIL

**7. FOREIGN EXCHANGE EARNINGS & OUT GOINGS**

The foreign exchange earnings and outgoings during the year ended 31-03-2004:

Foreign Exchange Earnings : NIL

Foreign Exchange Outgo : NIL

**8. CORPORATE GOVERNANCE**

Your Company has complied with the provisions of Clause 49 of the Listing Agreement, and a detailed Corporate Governance Report is given as a part of this Directors Report.



## 9. DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby state:

- (a) That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating 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 sufficient care for maintenance of adequate accounting records in accordance with the provisions of 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 31<sup>st</sup> March 2004 on a "going concern" basis.

## 10. DELISTING OF SHARES

The Company's shares were delisted by the Stock Exchange, Mumbai due to non payment of listing fees. The Company paid the listing fee arrears and applied for Relisting of shares and Relisting is eagerly awaited.

## 11. ACKNOWLEDGEMENT

The Directors place on the record their deep sense of appreciation and thank the shareholders, bankers, clients and authorities of Stock Exchanges for their wholehearted cooperation and support extended to the Company. They also thank the employees of the Company for their cooperation and support.

By Order of the Board

Sd/-

Date: 11-08-2004

Place: Hyderabad

J. Murali Mohan

Joint Managing Director



## MANAGEMENT DISCUSSION & ANALYSIS

### Brief History of the Company

V & K Softech Limited was incorporated on 20-07-1999 as a private limited company under the provisions of the Companies Act, 1956 (Hereinafter referred to as the Act), converted into public limited company on 22-03-2000.

In the year 2000, the company went for an Initial Public Offering (IPO). The Company is today listed on The Bombay Stock Exchange (BSE), Mumbai, The Hyderabad Stock Exchange Ltd, Hyderabad and The Calcutta Stock Exchange Association Ltd. Kolkata. V & K enjoys "B" Group Listing in BSE.

### Management Discussion on Risks and Concerns

Management of Risks to the business is a continuous challenge for any organisation growing in size and enhancing its purpose. The Traditional risk factors like client risks and industry segment risks and economic risks are well understood and the means to handle them are also fairly established. However the, 9/11 incidents all too vividly showed the risk of attacks to business infrastructure.

The business segment in which your company operates Viz; the software solutions business, has several inherent risks associated with it including a continuously evolving, dynamic landscape. Incidents in recent years like the Tech melt down, Sep 11, U.S-Iraq War and SARAS Virus, that have all effected the software services business, bear testimony to the unpredictable and sometimes, uncontrollable factors that can impact your companies business. The risk of doing business directly in countries with different business rule is more pronounced now.

To counter all these risks, your company conducting its risk identification, assessment and management activities through a dedicated Risk and Audit Department. Headed by Mr. J.Murali Mohan, Joint Managing Director, this department has been set up by your company expressly to anticipate the impact of potential risk factors to the business and provide guidance on how to handle them so as to minimise their business impact.

Adequate management control is in place to

ensure quick action on early warnings, and to proactively monitor and mitigate all potential risks. A comprehensive Risk Management Strategy Developed by the Risk and Audit Department forms the framework for all De-Risking and Risk Mitigation activities undertaken by your company with the fullest involvement of top management professionals.

### Discussion Of Financial Performance

The Financial Statements are prepared in compliance with the requirements of the Companies Act, the Accounting Standards prescribed by the Institute of Chartered Accountants of India and Generally Accepted Accounting Principles in India.

### Human Resources

A major strength for your company has been its Employees and your company's relationship with its employees continues to be excellent. A detailed performance evaluation system is in place and remuneration and Rewards are strongly linked to performance indicators. To keep the employee excellence at high altitudes, your company continues to maintain its commitment towards providing training to its employees at all levels.

### Cautionary Forward Looking Statements

The company has made forward looking statements in his document that are subject to Risks and Un-certainties. Forward looking statements may be identified by their use of words like "Expects", "Believes" "Estimates" or similar expressions. All statements that address expectations or projections about the future, including, but not limited to statements about the companies strategy for growth, Product Development, Market Position, Market Expenditures, and Financial Results are forward looking statements. For those statements the company cautions that numerous important factors could effect the companies actual results and could cause its results to differ materially from those expressed in any such forward looking statements.

By Order of the Board of Directors

Date: 11-08-2004  
Place: Hyderabad

Sd/-  
J.Murali Mohan  
Joint Managing Director