
VICTORY PROJECTS LIMITED

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12th Annual Report 2002 - 2003

VICTORY PROJECTS LIMITED

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BOARD OF DIRECTORS

Shri P. Maruti Ram	-	Managing Director
Dr. Kondal Rao Saripalli	-	Director
Shri K. Sriram	-	Director
Shri Ramachandra Murthy	-	Director
Smt. P.V. Lakshmi	-	Director

REGISTERED OFFICE

G1, Parameshwara Apts.,
6-3-626, Anand Nagar,
Khairatabad,
Hyderabad - 500 004.

BANKERS

Andhra Bank
State Bank of Hyderabad
ICICI Bank

AUDITORS

Mr. V. Syam Sunder
Chartered Accountant
Plot 88, Krishna Enclave
Indira Nagar, Tirumalgi,
Secunderabad 500 015

REGISTRAR

Sindhu Corporate Services Pvt. Ltd.
18A, New No. 492,
East Marredpally,
Secunderabad - 500 026.

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NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Members of **VICTORY PROJECTS LIMITED** will be held on Tuesday, the 30th day of September, 2003 at 9.00 A.M. at the Registered Office of the Company at 6-3-626, Parameshwara Apartments, Anand Nagar, Khairatabad, Hyderabad-500004, to transact the following business:

ORDINARY BUSINESS:

To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2003 and Profit & Loss Account for the period ended on 31st March, 2003 along with Auditors' Report and Directors' Report thereon.

To appoint a Director in the place of Dr.S.Kondal Rao, who retires by rotation and being eligible offers himself for reappointment.

To appoint Shri V.Syam Sunder, Chartered Accountants, Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

**By Order of the Board
for VICTORY PROJECTS LIMITED,**

**Date : 30th June 2003
Place : Hyderabad**

**(P.MARUTI RAM)
Managing Director**

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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/herself and a proxy need not be a member of the Company.
2. The proxy in order to be effective must be deposited at the Registered Office of the Company atleast 48 hours before the commencement of the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from 26-09-2003 to 30-09-2003 (both days inclusive).
4. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
5. The members are requested to inform changes, if any, in their Registered Address alongwith Pin Code number to the Company's Share Transfer Agent at the following Address :

SINDHU CORPORATE SERVICES PVT.LTD.,
18A, New No.492, East Marredpally,
Secunderabad - 500 026.
6. As a measure of economy, copies of the Annual Report will not be distributed at the venue of the Annual General Meeting. The Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
7. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.

VICTORY PROJECTS LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 12th Annual Report to you along with audited statements of the Company for the period ended 31st March, 2003.

FINANCIAL RESULTS :

The performance during the period ended on 31st March, 2003, that is for 9 months has been as under:

	Year ended 31-03-2003 (9 Months)	(Rs.in lacs) Year ended 30-06-2002 (9 Months)
1. Income from Operations	21.30	nil
2. Total Expenditure	49.06	14.82
3. Gross Profit/(Loss) after interest but before depreciation	(27.76)	(14.82)
4. Depreciation	9.79	9.69
5. Provision for taxation	nil	nil
6. Net Profit/(Loss)	(37.55)	(24.51)
7. Reserves excluding Revaluation Reserve	42.73	80.27

FINANCIAL YEAR

The financial year of the Company is changed to 1st April to 31st March. The audited accounts of the Company is prepared for a period of 9 months i.e. from 1st July, 2002 to 31st March, 2003.

CURRENT YEAR OPERATIONS

Your company has started earning modest revenues in the IT sector, which augurs well. Your company has also taken the first steps to release funds locked in inactive lines and it is proposed to establish long term relationship in the IT sector.

FUTURE OUTLOOK

The company proposes to, funds permitting, progressively retract from unremunerative lines of business, especially when risk factors are considered unfavourable. The consolidation of business in the IT sector will be continued.

FIXED DEPOSITS:

Your Company has not accepted/invited deposits from the Public for the year under review within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

VICTORY PROJECTS LIMITED**DIRECTOR:**

Dr.S.Kondal Rao, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri V.C.Ganti vacates from the post of directorship of the Company with effect from 19-10-2002.

AUDITORS' REPORT

The observations of the auditors are explained, wherever necessary, in appropriate notes to the accounts.

AUDITORS :

Mr.V.Syam Sunder, Chartered Accountant, Auditor of the Company retire at the Annual General Meeting and the Company has received certificate from him to the effect that his reappointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Members are requested to re-appoint him and to authorise the Board to fix the remuneration.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this report and the same is annexed.

CORPORATE GOVERNANCE

The Company has implemented the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement. A separate report on Corporate Governance is produced as a part of the Annual Report along with the Auditor's Certificate on its compliance.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956 :

In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your directors confirm that :-

- a) That in the preparation of the accounts for the period ended 31st March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgements 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 the year under review;

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- c) That the Directors have taken proper and sufficient care for the 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;
- d) That the Directors have prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

CONSERVATION OF ENERGERY, FOREIGN EXCHANGE ETC:

Information on Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and outgoings, required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure-A to this Report.

LISTING INFORMATION:

The Equity Shares of your company continued to be listed during the year under review at (a) The Hyderabad Stock Exchange Limited, 3-6-275, Himayatnagar, Hyderabad-500029; (b) The Stock Exchange, Mumbai, Phiroze Jeejibhoy Towers, Dalal Street, Fort, Mumbai-400001. However trading of the equity shares is under suspension at the Mumbai Stock Exchange.

DEMATERIALISATION OF SHARES :

Our application for dematerialisation with the concerned agency is pending approval, which when received should be of great help to our shareholders.

PERSONNEL:

Your Directors take this opportunity to express their appreciation for the sincere and dedicated service of the employees of the Company at all levels.

None of the employees are drawing Rs.2,00,000/- and above per month or Rs.24,00,000/- and above in aggregate per annum, the limits prescribed under Section 217(2A) of the Companies Act, 1956. Hence the information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not annexed to this report.

ACKNOWLEDGEMENTS :

The Directors thank the Company's Bankers, Employees and officials of concerned Government Departments for their co-operation and continued support to the Company. Also thank the Members for the confidence they have reposed in your Company and its Management.

**By Order of the Board
for VICTORY PROJECTS LIMITED,**

Date : 30th June 2003

Place : Hyderabad

**(P.MARUTI RAM)
Managing Director**

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy on Code of Governance:**

The Company's philosophy of Corporate Governance aims at assisting the management of the Company in the efficient conduct of its business and in meeting its responsibilities to all the stakeholders and to provide customer satisfaction through best quality at lowest price. It is towards this end that efforts are made to maintain high standards of disclosure to the shareholders and internal compliance guidelines for better Corporate Governance.

2. Board of Directors:

(a) The Board consists of 5 members comprising:

- 3 Independent Non-Executive Directors
- 1 Non-Executive Director
- 1 Executive Director

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting are given below.

Sl. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance in last AGM held on 19-10-2002
1.	Shri Maruti Ram Praturi	Promoter & Executive	3	Yes
2.	Shri K.Sriram	Non-Executive Independent	4	Yes
3.	Shri Ramachandra Murthy	Non-Executive Independent	2	Yes
4.	Dr.S.Kondal Rao	Promoter & Non-Executive Independent	--	No
5.	Smt.P.Vijaya Lakshmi	Non-Executive	4	Yes

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Sl. No.	Name of the Director	Other Directorship	Committee Membership	Committee Chairmanship
1.	Shri Maruti Ram Praturi	NII	NII	NII
2.	Shri K.Sriram	NII	NII	NII
3.	Shri Ramachandra Murthy	NII	NII	NII
4.	Dr.S.Kondal Rao	NII	NII	NII
5.	Smt.P.Vijaya Lakshmi	NII	NII	NII

(c) Number of Board Meetings held and the date on which held:

4 Board Meetings were held during the year. The maximum gap between any two meetings was not more than four months.

The dates on which the Board meetings were held are as follows:

11th September, 2002, 19th October 2002, 28th January, 2003 and 29th March 2003.

(d) Pecuniary relationship or transactions of Non-Executive Directors:

Apart from receiving directors remuneration, non-executive directors do not have any other material pecuniary relationship or transactions with the company, its promoters, its management, which in the judgement of the Board may affect the independence of judgement of the director.

3. Audit Committee:

In terms of Section 282A of Companies Act, 1956, the Company constituted an Audit Committee on 2nd June, 2001. The composition of Audit Committee is as follows:

- Shri K.Sriram - Chairman
- Shri Ramachandra Murthy - Member
- Smt. P.Vijaya Lakshmi - Member

The terms of reference stipulated by the Board to the Audit Committee include a review of the following:

- a) Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment for any other services.