
VICTORY PROJECTS LIMITED

VICTORY PROJECTS LIMITED



17th Annual Report 2007-2008

VICTORY PROJECTS LIMITED

Board of Directors	Mr. Maruti Ram Praturi	Managing Director
	Mr. T. N. DhanRaj	Director
	Mr. D. Krishna Murthy Rao	Director
	Mr. Ramachandra Murthy	Director
	Ms. P. V. Lakshmi	Director
	Mr. D. Seenu Reddy	Director

Company Secretary Mr. B. Laxman

Statutory Auditors Mr. V. Syam Sunder, Chartered Accountant
Plot No. 88, Krishna Enclave
Indira Nagar, Tirumalagiri
Secunderabad – 500 015

Bankers ICICI Bank Limited
State Bank of Hyderabad

Registered Office G-1, Parameshwara Apartments
6-3-626, Anand Nagar, Khairatabad
Hyderabad – 500 004.
Telephone: + 91 (40) 23305484
www.victory-india.com
Email: cs@victory-india.com

Registrars & Share Transfer Agent XL Softtech Systems Limited
3, Sagar Society, Road No. 2
Banjara Hills, Hyderabad – 500 034.
Telephone: + 91 (40) 23545913, 14
Email: xifield@rediffmail.com

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VICTORY PROJECTS LIMITED**Notice of the 17th Annual General Meeting**

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Victory Projects Limited will be held on Tuesday, the 30th day of September, 2008 at 10.30 a.m., at the registered office of the Company situated at G-1, Parameshwara Apartments, 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2008 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ramachandra Murthy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. P. Vijaya Lakshmi, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Mr. V. Syam Sunder, Chartered Accountant as Statutory Auditor and to fix remuneration.

Special Business:

5. To consider and if thought fit, to pass with or without modifications, if any the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the members be and is hereby accorded for the re-appointment of Mr. Maruti Ram Praturi, Managing Director of the Company for a further period of 5 years with effective from 1st September 2008 on the following terms of remuneration:

1. Salary: Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand) per month.
2. Perquisites and Allowances not exceeding basic salary per month:
 - a) House Rent Allowance: 40% of the Basic Salary.
 - b) Medical Reimbursement: Expenses incurred for self and family subject to the ceiling of Rs.15,000/- per annum.
 - c) Leave Travel Allowance: For Self and family once in a year incurred in accordance with the rules of the Company.
 - d) Club Fees: Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.
 - e) Personal Accident Insurance: Personal accident Insurance policy for an amount, the annual premium of which shall not exceed Rs.20,000/- per annum.

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- f) Contribution to provident fund, Superannuating and Annuity Fund: As per the rules of the Company applicable to other managerial personnel.
- g) Gratuity: As per the rules of the Company applicable to the other managerial personnel.
- h) Leave: Entitled to avail leave with full pay or encashment thereof as per the rules of the Company applicable to the other managerial personnel.

“RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites set out in the aforesaid resolution be paid to Mr. Maruti Ram Praturi, Managing Director as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the ceiling provided Schedule XIII to the said Act.”

“FURTHER RESOLVED THAT the Board or any committee thereof be and is hereby authorized on behalf of the company to do all such acts, deeds, matters and things as it may be necessary for the purpose of giving effect to this resolution.”

On behalf of the Board of Directors

Place: Hyderabad
Date: 04-09-2008

Maruti Ram Praturi
Managing Director

Notes:

- (a) A member of the Company entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.
- (b) The Register of Members and the Share Transfer Books will remain closed from 26-09-2008 to 30-09-2008, both days inclusive.
- (c) Members / Proxies are requested to bring annual report along with the attendance slip filled in for attending the meeting.
- (d) XL Softtech Systems Limited, 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034 is the Registrar and Share Transfer Agent for the physical shares of the Company and also the depository interface of the Company with both NSDL and CDSL.
- (e) Queries on accounts and operations may please be sent to the Company 5 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
- (f) The relative Explanatory Statement pursuant to Section 173(2) of the Act with regard to the special business set out in item no. 5 is annexed hereto.

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Explanatory Statement, as required under Section 173 of the Companies Act, 1956.

Item No. 5:

The Remuneration Committee as well as the Board of Directors of directors of the company in its meeting held on 4th September 2008 recommended re-appointment of Mr. Maruti Ram Praturi as Managing Director of the company for another term of five years with effect from 1st September 2008 on the remuneration as set in the resolution

Mr. Maruti Ram is B.E from REC, Warangal and M.B.A from IIM. He is the Promoter director and Managing Director of the Company since a long period. He holds over 25 years of experience in the information technology sector in various countries.

Your directors recommend the resolution as set out in Item No.4 of the notice for approval of the members.

No director other than Mr. Maruti Ram Praturi and Mrs. P. Vijaya Lakshmi is concerned or interested in this Resolution.

The above terms and conditions may also be treated as an abstract under Section 302 of the Companies Act, 1956.

Your Directors recommend acceptance of the proposed Resolution in the best interest of the Company. None of the Directors of the Company has any interest in the proposed Resolution.

On behalf of the Board of Directors

Place: Hyderabad

Date: 04-09-2008

Maruti Ram Praturi

Managing Director

Brief resume of Director retiring by rotation seeking re-appointment at this Annual General Meeting

Name of the Director	Mr. Ramachandra Murthy	Mrs. P. Vijaya Lakshmi
Date of Birth	07-05-1959	15-09-1964
Date of appointment	03-07-1995	24-01-2002
Qualifications	FCA	M.A. (Economics)
Expertise in specific functional areas	Accounting, Finance, Company Law	Human Resource Management, Administration
Directorships held in other Public Companies (excluding foreign companies)	Nil	Nil
Memberships/ Chairmanships of committees across public companies (excluding foreign companies)	Nil	Nil
Shareholding in the Company	Nil	Nil

DIRECTORS' REPORT

Dear Members,

The Directors present their Seventeenth Annual Report together with the Audited financial statements for the year ended March 31, 2008.

Financial Results	Rs. in Lakhs	
	2007-2008	2006-2007
1 Income from Operations	215.30	66.19
2 Total Expenditure	69.41	36.25
3 Gross Profit/Loss after interest but before Depreciation	145.89	29.95
4 Depreciation	28.39	11.31
5 Provision for Taxation	8.67	Nil
6 Net Profit/Loss	108.83	18.64
7 Reserves excluding Revaluation Reserves	-10.88	-120.47

Review of Operations and Future Outlook:

The company's TeleCanor product line has been accepted by the user community, yielding substantial revenues. It has released new versions of these packages keeping in mind the SME segment. The thrust area was the Interactive Voice Response System product installations, improvements, and acceptance in high volume data critical applications like payment gateways. The company expects to setup a payment gateway on its own, funded by internal accruals, issue of sharewarrants, and other appropriate means depending on the market conditions. This payment gateway will have various features such as Outbound Notification support for Internet, IVR based gateway, SMS payment gateway, POS supplementing devices etc, which will all be built on the company's own software.

Fixed Deposits:

During the year under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under. As such no amount of principle or interest towards deposit was outstanding on the date of the Balance Sheet.

Corporate Governance:

A report on Corporate Governance including Auditor Certificate thereon as per Clause 49 of the Listing Agreement is contained elsewhere in the Annual Report.

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Management Discussions and Analysis:

Management Discussions and Analysis Report, pursuant to clause 49 of the Listing Agreement, form part of this report and the same is annexed.

Listing at Stock Exchange:

The Equity Shares of the Company continue to be listed on The Bombay Stock Exchange Limited and The Hyderabad Stock Exchange Limited. The annual listing fees for the year 2007-2008 have been paid to The Bombay Stock Exchange Limited.

Directors:

The Remuneration Committee and the board of directors at their meeting held on 4th September 2008 re-appointed Mr. Maruti Ram Praturi as Managing Director of the company for another term of five years with effect from 1st September 2008. The Board recommends the same for approval of shareholders.

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr. Ramachandra Murthy and Mrs. P. Vijaya Lakshmi, retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting.

Auditors:

Mr. V. Syam Sunder, Chartered Accountant, Hyderabad, the Statutory Auditors of the Company hold office till the conclusion of forthcoming Annual General Meeting. Your directors recommend their appointment at the ensuing Annual General Meeting as Statutory Auditors.

Information u/s. 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo:

- a) Conservation of Energy: The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.
- b) Technology Absorption: Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up gradation of product and services development.
- c) Foreign Exchange earnings and outgo: Total foreign exchange earnings during the year were Rs. Nil Lakhs (Previous year Rs. Nil Lakhs) and foreign exchange outgo was Rs. Nil Lakhs (previous year Rs. Nil Lakhs).

Particulars of Employees:

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not required as none of the employee falls under the category.

Directors' Responsibility Statement:

In terms of the provisions of section 217(2AA) of the Companies Act, 1956 (Act), your Directors confirm as under:

1. That, in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures;
2. 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.
3. That, the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That, the Directors had prepared the annual accounts on a going concern basis.

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.

On behalf of the Board of Directors

Place: Hyderabad
Date: 04-09-2008

Maruti Ram Praturi
Managing Director

VICTORY PROJECTS LIMITED**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Corporate Governance**

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has complied with the requirements of the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed here in below:

2. Board of Directors**Composition of the Board:**

The Company has an optimum combination of Executive and Non-Executive Directors. The Chairman is an Executive Director and the number of Independent Non-Executive Directors more than half of the Board's strength at any point of time. All Independent Non-Executive Directors comply with the legal requirements of being "Independent." The composition of the Board of Directors of the Company is as follows:

Name of the Director	Category	Designation	Directorship in other Companies @	Chairmanship in committees of Boards of other Companies \$	Membership in committees of Boards of other Companies \$
Mr. Maruti Ram Praturi	Promoter Director	Managing Director	Nil	Nil	Nil
Mr. D. Krishna Murthy Rao	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. Ramachandra Murthy	Independent Non-Executive Director	Director	Nil	Nil	Nil
Smt. P. V. Lakshmi	Promoter Director and Non-Executive	Director	Nil	Nil	Nil
Mr. T. N. Dhanraj	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. D. Seenu Reddy	Independent Non-Executive Director	Director	Nil	Nil	Nil

@ Directorships in private and foreign companies are excluded.

\$ Membership/Chairmanship of only Audit Committee and Shareholders Grievance Committee has been considered.

Details of Board Meetings and Attendance:

During the financial year 2007-08 Board of Directors of the Company met six times on 30-04-2007, 30-06-2007, 31-07-2007, 31-10-2007, 31-01-2008 and 08-03-2008. The attendance details of the directors at the Board Meetings and last Annual General Meeting is as follows:

Name of the Director	Number of meetings held	Number of meetings attended	Whether attended the last AGM in 2006
Mr. Maruti Ram Praturi	6	6	Yes
Mr. D. Krishna Murthy Rao	6	2	No
Mr. Ramachandra Murthy	6	4	Yes
Smt. P. V. Lakshmi	6	6	Yes
Mr. T. N. Dhanraj	6	1	No
Mr. D. Seenu Reddy	6	5	Yes

Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of reference include:

- Overseeing the Company financial reporting process.
- Reviewing periodical financial results, financial statements and adequacy of internal control systems.
- Approving Internal Audit plans and reviewing efficacy of the function.
- Discussion and review of periodic audit reports, and
- Discussions with external auditors about the scope of the audit including the observations of the auditors.

Composition and Attendance:

There are three members of the audit committee and all the members of the committee are Non-Executive in which two members are Independent Directors. Members of the Audit Committee are Mr. Ramachander Murthy, Mr. T. N. Dhanraj and Ms. P. V. Lakshmi. Mr. Ramachander Murthy is the Chairman of the Audit Committee. The Company Secretary Mr. B. Laxman acts as the Secretary to the Committee.

During the financial year 2007-08 Audit Committee met four times on 30-06-2007 31-07-2007, 31-10-2007 and 31-01-2008. All the members of the Committee attended all the above meetings

Minutes of the Audit Committee are circulated to the members of the Committee and the Board is kept apprised.