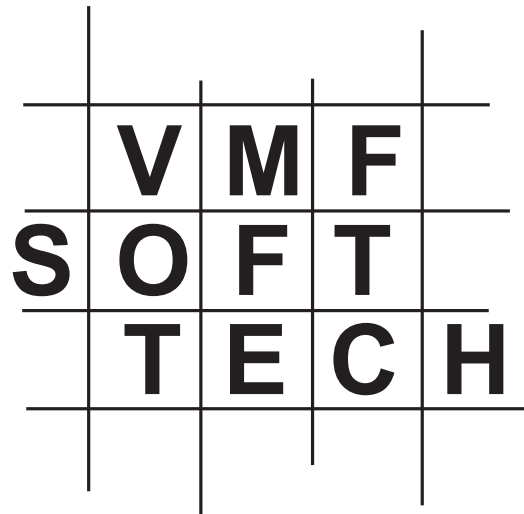


VMF SOFT TECH LIMITED



16th ANNUAL REPORT 2009 - 2010



VMF SOFT TECH LIMITED

BOARD OF DIRECTORS

Krishna Reddy Chintam	:	Managing Director
Niranjan Reddy Chintam	:	Director
Rajendra Vithal Naniwadekar	:	Director
Penumatcha Krishnam Raju	:	Director
Manthena Venkata Sivarama	:	Director
Potluri Srinivas	:	Director (wef 31-12-2009.)

AUDITORS : M/s. Mahesh, Virender & Sriram
Chartered Accountants
Hyderabad - 500 040
Ph: 040 -23401738

BANKERS : Union Bank of India

REGISTERED OFFICE : 22-240/5, Nanditha Complex,
Opp: KPHB Colony, Kukatpally.
Hyderabad

REGISTRARS : XL Softech Systems Ltd
3, Sagar Society, Raod No. 2,
Banjara Hills, Hyderabad – 500034.
Email: mail@xlsoftech.com
Phone: 040-23545915



VMF SOFT TECH LIMITED

NOTICE

NOTICE is hereby given to the Members that 16th Annual General Meeting of the Company will be held on Thursday the 23rd, December, 2010 at 11.00 A.M. at the Registered office 22-240/5, Nandiha Complex, Opp: KPHB Colony, Kukatpally, Hyderabad to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June 2010 and the Profit and Loss Account for the previous year ended along with the Directors' Report and Auditors' Report thereon.
2. To appoint Mr. Mantena Venkata Sivaram as Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Mr. Niranjan Reddy Chintam as Director who retires by rotation and being eligible offers himself for reappointment.
4. To re-appoint auditors and to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to Sec.224 and other applicable provisions of the Companies Act, 1956 M/s. Mahesh, Virender & Sriram, Chartered Accountants - Hyderabad be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modifications (s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr Potluri Srinivas, who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office under Section 260 of the Companies Act, 1956 until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director under Section 257 of the Companies Act, 1956 along with the requisite deposit, be and is hereby appointed as Director of the Company, liable to retire by rotation.

By order of the Board
VMF SOFT TECH LIMITED

sd/-
KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

Date: 30th August 2010
Place: Hyderabad



VMF SOFT TECH LIMITED

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS TO BE VALID SHALL BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer books of the Company will be closed from 18.12.2010 to 23.12.2010 (Both days inclusive).
3. The Members are requested to intimate any change in their address quoting their Registered Folio to our Corporate Office address.
4. The Members are requested to bring Annual Report along with them at the time of Annual General Meeting and are also requested to send their queries, if any, on the adoption of accounts well in advance, so as to enable to place relevant records and information at the time of Annual General Meeting.
5. Brief Profile of Directors retire at this AGM is given in the Corporate Governance Report
6. Explanatory statement U/s 173(2) of the Companies Act, 1956 as annexed herewith.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act)

Item No. 5

The Board co-opted Mr Potluri Srinivas as Additional Director of the Company in order to broad-base the Board at their meeting held on 31.12.2009, Pursuant to Section 260 of the Companies Act, 1956 he shall hold office of director up to the date of to Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 from a share holder along with deposit of Rs. 500/- has been received, proposing the candidature of Mr Potluri Srinivas as Director of the Company.

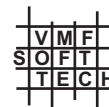
Board recommends the appointment of Mr Potluri Srinivas, none of the directors except Mr Potluri Srinivas is interested in the resolution.

By order of the Board
VMF SOFT TECH LIMITED

sd/-

KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

Date: 30th August 2010
Place: Hyderabad



VMF SOFT TECH LIMITED

DIRECTORS' REPORT

To
The Members
VMF SOFT TECH LIMITED

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Accounts of the Company for the period ended 30th June, 2010

FINANCIAL RESULTS (Rs. In Lakhs)

	Current Year ended 30.06.2010	Previous year ended 30.06.2009
Profit/(Loss) before taxes	19.59	(122.09)
Deferred Tax Asset	0.28	2.08
Provision for FBT	Nil	0.18
Provision for MAT	0.28	0.18
Profit/(Loss) after taxes	19.02	(124.36)

REVIEW OF OPERATIONS

Your Company has registered revenue Rs. 94.22 Lakhs. activities during the year under review. The performance of your Company is satisfactory as the Gross Revenue registered at Rs. 94.22 Lakhs and Net Profit of Rs. 19.02 Lakhs. Management of your Company is putting their best efforts to improve the operations.

DIVIDEND:

In view of the inadequate of profit, your Directors regret their inability to recommend any dividend for the year 2009-10.

FIXED DEPOSITS:

The company has not raised any fixed deposits as on 30th June 2010 so as to attract the provisions of section 58 A of the Companies Act 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time.

DIRECTORS

At the ensuing Annual General Meeting of the Company Mr. Niranjan Reddy Chintam and Mr. Manthana Venkata Sivarama Raju retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment /appointment.



VMF SOFT TECH LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

Director's responsibility statement pursuant to section 217(2AA) is given here under.

- i. in preparation of Annual accounts applicable accounting standards have been followed along with proper explanation relating to material departures
- ii. that the directors have 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;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis

AUDITORS

M/s Mahesh, Virender & Sriram, Chartered Accountants – Hyderabad retire at the conclusion of this Annual General Meeting and are eligible for reappointment as statutory Auditors. They have signified their willingness for re-appointment and have confirmed their eligibility under section 224(1B) of the Companies Act, 1956.

REPLIES TO AUDITORS REPORT

Notes No.6 Regarding Non-confirmation of balances from various parties: The Company is in the process of obtaining the confirmation of balances on a going concern basis.

Note No.7 Regarding non-provision for proportionate liability on account of employees' retirement benefits which have not been quantified; Since employees benefits yet completed statutory period for eligibility of retirement benefits the same has been not provided.

Notes No.8: Non provision of loss on investments suggestions of Auditors will be considered during the current year.



VMF SOFT TECH LIMITED

MANAGEMENT DISCUSSION & ANALYSIS:

Industry Structure and Development

The year 2009 amidst speculation and uncertainty precipitated by the economic downturn which engulfed every nation in the world. However, the developments during the year, demonstrated the resilience and maturity of India, driven by sound macroeconomic fundamentals. For the Indian IT-ITES industry, this downturn signalled the beginning of a new world order and a paradigm shift in the way this industry thinks and operates. While there was certainty that these tumultuous times would pass, the industry viewed this crisis as an opportunity, not only exhibiting resilience but also sustaining its growth.

The year witnessed the emergence of and thrust on its core themes for the next decade – Diversification, Specialisation, Transformation, Innovation and ICT for inclusive growth. We targeted new growth engines beyond our core offerings, invested in developing innovative solutions for our overseas and domestic end-customers, focused on end-to-end capabilities in selected core areas, strengthened internal capabilities by upgrading talent and making knowledge investments. This coupled with our compelling and dynamic value proposition and competitiveness ensured that India remains the leader in the global sourcing landscape.

The sector aggregated revenues of USD 73.1 billion in FY2010, a growth of 5.4 per cent over FY2009, and generated direct employment for 2.3 million people. The industry today has diversified beyond traditional IT into many more service lines, with Indian and MNC service providers collaborating and competing to build the industry.

The domestic market is at an inflection point with the rise of India Inc., growing adoption of IT to achieve greater efficiencies and the Indian government fuelling the demand with various e-Governance initiatives.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has internal and external audit systems in place. The control system of the company consists of standard practices and processes, a appropriate audit program, and a risk monitoring system.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

A Statement giving details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, are given in Annexure - I to this report.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration in excess of the limits mentioned under Sec.217(2A) of the Companies Act, 1956 read with the relevant rules made there under during the financial year 2009-10.

PERSONNEL:

Your Directors place (d) on record their appreciation for the services rendered by the employees. The relation between the management and the employees has been cordial throughout the year.

CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement a separate Report on Corporate Governance is enclosed as Annexure-II to this report.

ACKNOWLEDGMENTS

Your Directors wish to place on record their gratitude for the support received from Bankers, Government Departments, suppliers, clients and look forward for their continued support and co-operation. Your Directors record their special appreciation to the employees and officers for their sustained efforts and contribution to the company. Yours directors also thank the share holders and investors for the their support and confidence reposed in.



VMF SOFT TECH LIMITED

Pecuniary Relationship or transactions of Non-Executive Directors

Non-Executive directors don't have any other material pecuniary relationship or transactions with the company, its promoters or its management which in the judgement of the board may affect independence of judgment of the director.

Code of Conduct

The Board of Directors of the company has laid a code of conduct for Directors. .All Directors have affirmed compliance with the code for the year under review. A declaration to this effect duly signed by the Managing Director of the Company is annexed to this report.

Nomination facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

Company's Policy on prevention of insider Trading

Pursuant to the requirements of SEBI (Prohibition of insider Trading) Regulations, 1992, as amended, the Company had framed a Code of conduct for prevention of insider trading. Sri Chintam Krishna Reddy – had been appointed as Compliance Officer for the purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self regulatory mechanism,

By order of the Board
VMF SOFT TECH LIMITED

sd/-
KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

sd/-
P KRISHNAM RAJU
DIRECTOR

Registered Office :

22-240/5, Nanditha Complex
Opp: KPHB Colony
Kukatpally
Hyderabad - 500072.

Date ; 30th August, 2010



VMF SOFT TECH LIMITED

ANNEXURE - I

PARTICULARS WITH RESPECT OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW AND OUT GO:

Information as required under Section Sec.217 (1) (e) of the Companies Act, 1956 read with companies (Disclosure of particulars in the report of Board of directors) rules 1988 forms to extent applicable are given below:

Details of Conservation of Energy:

1. The operations of your company do not consume high level of energy, However, adequate measures have been taken to conserve energy by using efficient computers and peripherals.
2. Foreign Exchange Earnings : USD 1,75,000
3. Foreign Exchange Outgo : NIL
4. Technology Absorption : NIL
5. Research and Development : NIL
6. Technology absorption, adaptation and Innovation : NIL

ANNEXURE - II

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-10 (Pursuant to Clause 49 of the Listing Agreement)

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the company in the efficient conduct of the business and in meeting its obligation to stakeholders, and is guided by a strong emphasis on transparency, accountability and integrity. Company believes in sharing the entire information about its operations with the investors. Since several years, company is committed to values and ethical business conduct. This includes its corporate and other structure its culture its policies and the manner in which it deals with its stakeholders.

BOARD OF DIRECTORS

Composition

As on 30th June 2010, the Board of Directors consists of Six Directors including One Managing Director, One Promoter Non Executive Director, Two Non Promoter Non Executive Director. Two Non-Executive Independent Directors.

PROFILES OF DIRECTORS:

1. Mr Niranjan Reddy Chintam – Director aged about _____ and having qualifications and has experience in
2. Mr Mantena Venkata Sivaram – Director aged about _____ and having qualifications and has experience in
3. Mr Potluri Srinivas – Director aged about _____ and having qualifications and has experience in

Serial No	Date of the Board Meeting
1.	9 th August 2009
2.	31 st October 2009
3.	31 st December 2009
4.	30 th January 2010
5.	29 th April 2010

VMF SOFT TECH LIMITED

Attendance

SL No	Name	Category	Attendance in Board Meeting	
			Held	Attended
1.	Mr. Krishan Reddy Chintam	Non-Promoter Executive	5	4
2.	Mr. Niranjan Reddy Chintam	Non-Promoter Non-Executive	5	4
3.	Mr. P. Krishnam Raju	Promoter Non-Executive	5	4
4.	Mr. Manthena Sivarama Raju	Independent Non-Executive	5	4
5.	Mr. Rajendra Vithal Naniwadekar	Independent Non-Executive	5	4
6.	Mr. Potturi Srinivas (wef- 31-12-2009)	Independent Non-Executive	2	1

AUDIT COMMITTEE

The Audit Committee was constituted, with the following independent Directors, U/s 292A of the Companies Act, 1956 and pursuant to listing agreement meeting and reviewing the activities of the Company.

Composition

Mr. Manthena Sivarama Raju	Chairman
Mr. Rajendra V Naniwadekar	Member
Mr. P. Krishnam Raju	Member

Meetings of the committee during the year 2009-10, the Audit Committee met 3 times

REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors consist of three Non-Executive Directors.

Composition:

Mr. Manthena Sivarama Raju	Chairman
Mr. P. Krishnam Raju	Member
Mr. Rajendra V Naniwadekar	Member

INVESTORS' GRIEVANCE COMMITTEE

The committee is mainly constituted to review and redress investor grievances, and to give quick replies to investor queries, The committee looks after the services of the Registrars and share transfer agents and recommends measures for improving their services.

Composition

Mr. Rajendra V Naniwadekar	Chairman
Mr. Niranjan Reddy Chintam	Member
Mr. P. Krishnam Raju	Member

The complaints received by the Company during the financial year ending 30th June 2010 were promptly addressed and there are no complaints pending.



VMF SOFT TECH LIMITED

GENERAL BODY MEETINGS

Venue and time where the last three AGMs of the company were held:

Year	Location	Date	Time
2008-09	Regd Office: 22-240/5 Nanditha Complex Opp: KPHB Colony, Kukatpally Hyderabad.	09-12- 2009	11.00 AM
2007-08	Regd Office: 22-240/5 Nanditha Complex Opp: KPHB Colony, Kukatpally Hyderabad.	12-09 -2008	11.00 AM
2006-07	Regd Office: 22-240/5 Nanditha Complex Opp: KPHB Colony, Kukatpally Hyderabad.	21-09 -2007	11.00 AM

DISCLOSURES

Materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large : **Nil**

Details of non-compliance by the company, penalties and strictures imposed on the company by stock Exchange or SEBI or on any matter related to capital markets, during the last three years : **Nil**

MEANS OF COMMUNICATION:

The quarterly / annual unaudited / audited financial results of the Company are sent to the Stock Exchange after they are approved by the Board of Directors. The Management Discussion and Analysis forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Day, Date and Time	Thursday 23rd December, 2010 at 11.00 AM
Venue	At the Registered Office of the Company at 22-240/5, Nanditha Complex, Opp: KPHB Colony, Kukatpally Hyderabad

Financial Calendar : 1st July 2009 to 30th June, 2010
 Dates of Book Closure : 18th December, 2010 to 23rd December, 2010
 : (Both days inclusive)
 Listing on Stock Exchanges : Bombay Stock Exchange Limited
 Stock Code : 519602
 Scrip Name : VMF SOFT



VMF SOFT TECH LIMITED

Market Price Data:

The monthly high and low quotations of equity shares of the company traded on The Stock Exchange – Mumbai during the financial year 2009-10 are as follows

Month	High (Rs.)	Low (Rs.)
July 2009	8.22	5.48
August 2009	6.53	5.71
September 2009	7.34	5.71
October 2009	7.49	5.41
November 2009	6.53	5.33
December 2009	7.82	5.56
January 2010	7.05	5.75
February 2010	7.45	5.52
March 2010	7.02	5.60
April 2010	6.30	5.50
May 2010	6.58	4.70
June 2010	5.54	4.10

Registrar and Share Transfer Agents : XL Softech Systems Limited
3, Sagar Society, Road No. 2
Banjara Hills, Hyderabad – 500 034
Email; mail@xlsoftech.com
Phone:040-23545915

Share Transfer System:

All the physical share transfers received are processed by the Share Transfer agents, M/s XL Softech Systems Limited, Hyderabad. The Company's shares are being traded in compulsory Demat form. The company has already entered into agreement with both the depositories i.e. NSDL and CDSL, for dematerialization of



VMF SOFT TECH LIMITED

Share Holding Pattern:

Share holding pattern as on 30th June, 2010 as follows :

SL No	Category	No. of Shares Held	% of share holding
1.	Promoters	2,589,949	28.03
2.	Institutional Investors	15,393	0.17
3.	Private Corporate Bodies	1,054,361	11.41
4.	Public Shareholding	5,579,397	60.38
	Total	9,239,100	100.00

Dematerialization of shares and liquidity

The company scrip is under compulsory demat form in The Stock Exchange, Mumbai. The Company has already entered into agreement with both the depositories, viz., NSDL and CDSL for dematerialization of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any depository participant.

The International Securities Identification (ISIN) of the company is : INE 164B01014

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

Address for correspondence

VMF Soft Tech Limited
22-240/5, Nanditha Complex,
Opp: KPHB Colony, Kukatpally, Hyderabad.
Email; mail@xlsofttech.com
Phone:040-23545915

For and on behalf of the Board

Sd/-

KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

Date: 30th August 2010

Place: Hyderabad



VMF SOFT TECH LIMITED

DECLARATION OF THE MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS:

M/s VMF Soft Tech Limited has adopted a Code of Business Conduct and Ethics (the Code) which applies to all employees and Directors of the Company. Under code, it is the responsibility of all employees and Directors to familiarize themselves with the code and comply with its standards.

I hereby certify that the Board Members and Senior Management Personnel of VMF Soft Tech Limited have affirmed compliance with the code for the Financial Year 2009-10

For and on behalf of the Board
Sd/-
KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

Date: 30th August 2010
Place: Hyderabad

CEO CERTIFICATE

To
The Board of Directors,

VMF Soft Tech Limited
We have certified that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 30th June, 2010 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We further certify that:
 - i) There have been no significant changes in internal control during this year.
 - ii) There have been no significant changes in accounting policies during this year.
 - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system.

For and on behalf of the Board
Sd/-
KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

Date: 30th August 2010
Place: Hyderabad

VMF SOFT TECH LIMITED



AUDITOR'S CERTIFICATE

CERTIFICATE OF COMPLIANCE UNDER CLAUSE 49

To
The Members of
V M F Soft Tech Limited

We have examined the Compliance conditions of the Corporate Governance of M/s V M F Soft Tech Limited for the period ended 30th June 2010 as stipulated in clause 49 of the Listing Agreement with stock exchanges.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management's, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing agreement.

As required by the guidance note issued by the institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mahesh, Virender & Sriram
Chartered Accountants

sd/-

(B R Mahesh)
PARTNER
M.No. 18628

Date: 30th August 2010
Place: Hyderabad



VMF SOFT TECH LIMITED

AUDITOR'S REPORT

To
The Shareholders of
M/s V M F Soft Tech Limited
Hyderabad

We have audited the attached Balance Sheet of M/s V M F Soft Tech Limited Hyderabad as at 30th June 2010 and also the profit and loss account for the year ended on that date.

1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our Audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. In our opinion, and based on information and explanations given to us, none of directors are disqualified as on 30th June, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Subject to
 - a. **Notes No: 6 Regarding non - confirmation of balances from various parties.**
 - b. **Notes No: 7 regarding non-provision for proportionate liability on account of employees' retirement benefits, which have not been quantified.**
 - c. **Note No 8 regarding non provision of loss, if any, on account of unquoted investments market value not ascertainable.**
 - g. In our opinion and the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2010;
 - (b) In the case of the profit and loss account of the Profit for the year ended on that date and
 - (c) In the case of cash flow statement, of the cash flows for the year ended on that date

For Mahesh, Virender & Sriram
Chartered Accountants
sd/-

(B R Mahesh)
PARTNER
M.No. 18628

Date: 30th August 2010
Place: Hyderabad



VMF SOFT TECH LIMITED

Annexure 'A' to Auditor's Report

Referred to in paragraph 2 of our report of even date

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The management during the year has verified all the fixed assets. There is a regular program of verification which in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- c. During the year, the company has not disposed any fixed assets during the year under review.
- ii. The company does not have any inventory hence this clause is not applicable.
- iii. The Company neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchases of plant and machinery, equipment and other assets and for the sale of goods.
- v. In our opinion according to the information and explanation given to us, there are no transactions that need to be entered in pursuance of section 301
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which the provisions of Section 58A and 58AA of the Act and rules framed there under.
- vii. In our opinion, the internal audit functions carried out during have been commensurate with the size of the company and nature of its business.
- viii. Maintenance of cost records by the company has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- ix. a. As per the records maintained by the company, the company is regular in depositing undisputed statutory dues the authorities. The company is not having investor education protection fund. According to the explanation and information given to us, we understand that the company is not liable for under Provident Fund ,sales tax and Employees State Insurance Acts.
- b. As per the records and as per the information and explanation given to us, no undisputed amounts payable in respect of Wealth Tax, Sales Tax, Customs Duty and Excise duty and Cess as at 30th June 2010 for a period of more than six months from the date they became payable.
- x. The accumulated losses of the company as the end of the financial year have not exceeded fifty percent of its net worth as the end of the year. The company has not incurred cash losses during the year under review

VMF SOFT TECH LIMITED



- xi. During the year under review the company has not taken any loans from the financial institutions.
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor' s Report) order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares securities debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor' s Report) order, 2003 are not applicable to the company.
- xv. The company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. The company has not taken any term loan during the year under review.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
- xviii. The company has not made any preferential allotment of shares during the year to parties an companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The company has not issued any debentures during the year under review.
- xx. The company has not raised any money by public issue during the year under review.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **Mahesh, Virender & Sriram**
Chartered Accountants

sd/-

(B R Mahesh)
PARTNER
M.No. 18628

Date: 30th August 2010
Place: Hyderabad

VMF SOFT TECH LIMITED

FINANCIAL DETAILS

Balance sheet as at 30/06/2010

Balance sheet as at	Sch	30-Jun-2010 Rs.	30-Jun-2009 Rs.
I. Source of funds			
(1) share holders funds			
(a) Capital	1	9 57 34 460	9 57 34 460
(b) Reserve & surplus	2	8 07 350	8 07 350
(2) Loan funds			
(a) Secured Loans		Nil	Nil
(b) Unsecured loans		Nil	Nil
(3) Deferred Tax Liability	3	17 66 952	17 38 077
Total		9 83 08 762	9 82 79 887
II. Application of funds			
(1) Fixed assets			
(a) Gross block	4	1 27 99 112	1 27 72 263
(b) Less depreciation	5	49 37 116	29 83 396
(c) Net block	6	78 61 996	97 88 867
(d) Capital work - progress		Nil	Nil
(2) Investments	7	1 96 04 552	5 49 87 526
(3) Current assets, loans and advances	8		
(a) Inventories		Nil	Nil
(b) Sundry debtors		4 46 90 236	37 03 817
(c) Cash and bank balances		1 57 137	14 98 635
(d) Other current assets		Nil	Nil
(e) Loans & advances		33 82 389	33 26 740
Less :			
(a) Liabilities &	9	5 55 405	1 71 500
(b) Provisions		28 170	18 850
Net current assets		4 76 46 187	83 38 842
(4) A. Miscellaneous expenditure to the extent not written off or adjusted	10	4 81 302	5 41 465
B. Profit and loss account	11	2 27 14 725	2 46 23 187
Total		9 83 08 762	9 82 79 887
Accounting Policies & Note to accounts	16		

For and on behalf of Board of Directors

Vide our report of even date
For **Mahesh, Virender & Sriram**
Chartered Accountants

sd/-
KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

sd/-
P KRISHNAM RAJU
DIRECTOR

sd/-
B R MAHESH
PARTNER
M No-18628

Date: 30th August 2010
Place: Hyderabad

VMF SOFT TECH LIMITED

Profit and loss account for the period ended	Sch	30-Jun-2010	30-Jun-2009
	No	Rs.	Rs.
Income			
Sales	12	94 22 000	89 90 723
Interest Received		1 73 591	4 15 984
Dividend Received		Nil	1 89 201
Sundry Accounts Written Back		23 979	1 29 354
Total income		96 19 570	97 25 262
Expenditure			
Soft ware expenses	13	35 54 420	56 31 978
Personnel expenses	14	15 29 658	92 86 462
Administrative expenses	15	5 56 102	18 30 622
Exit loss on Mutual Funds		Nil	16 25 806
Loss on sale of assets		Nil	5 73 730
Exchange fluctuations		Nil	11 41 264
Depreciation	5	19 53 720	17 84 931
Miscellaneous Expenditure Written off		60 163	60 163
Total expenditure		76 54 063	2 19 34 956
Profit/Loss for the year		19 65 507	-1 22 09 694
Less / Add : Deferred Tax Asset		-28 874	-2 08 096
Provision for Fringe Benefit Tax		Nil	-18 850
Provision for M A T		-28 170	Nil
Profit for the year transferred Balance Sheet		19 08 462	-1 24 36 640

Accounting Policies & Note to accounts

16

For and on behalf of Board of Directors

Vide our report of even date

For **Mahesh, Virender & Sriram**
Chartered Accountants

sd/-

KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

sd/-

P KRISHNAM RAJU
DIRECTOR

sd/-

B R MAHESH
PARTNER
M No- 18628

Date: 30th August 2010
Place: Hyderabad

VMF SOFT TECH LIMITED

Schedules forming part accounts as at 30/06/2010

Schedules forming part accounts as at	30-Jun-2010 Rs.	30-Jun-2009 Rs.
Schedule No :1		
Share Capital		
a. Authorised		
2,00,00,000 Equity shares		
Rs. 10.00 Each	<u>20 00 00 000</u>	<u>20 00 00 000</u>
(Previous year 1,00,00,000 shares of Rs. 10 Each		
b. Issued, subscribed & paid up		
92,39,100 Equity shares of Rs.10.00 Each	<u>9 23 91 000</u>	<u>9 23 91 000</u>
c. Less : calls in arrears	- 1 06 540	- 1 06 540
	9 22 84 460	9 22 84 460
d. Warrants Issued	34 50 000	34 50 000
Total Share Capital	9 57 34 460	9 57 34 460
Schedule No : 2		
Reserve and Surplus		
a. General reserve	2 40 000	2 40 000
b. Capital Subsidy	5 67 350	5 67 350
Total reserve and surplus	8 07 350	8 07 350
Schedule No : 3		
Deferred Tax Liability		
[a] Deferred Tax		
Opening Balance	17 38 077	15 29 981
[a] Deferred Tax Asset for the year	28 874	2 08 096
Closing balance	17 66 952	17 38 077
Schedules forming part accounts as at	30-Jun-2010 Rs.	30-Jun-2009 Rs.
Schedule No : 7		
Investments		
[unquoted - at cost]		
Technovention Tradex pvt ltd	14 55 000	14 55 000
Medcomsys	Nil	3 53 82 974
IGLILY INC	1 81 49 552	1 81 49 552
Total Investments	1 96 04 552	5 49 87 526

VMF SOFT TECH LIMITED

Schedules forming part accounts as at 30/06/2010

Schedule No : 8		
[a] Current Assets, Loans & Advances		
[b] Sundry Debtors		
[Unsecured and considered good]		
1. More than six months	4 05 55 236	4 64 77 346
2. Others	41 35 000	77 51 947
Total Sundry Debtors	4 46 90 236	37 03 817
[c] Cash and Bank Balances		
Cash Balance	8 227	10 278
Bank Balances	1 48 910	14 88 357
Total Cash and Bank Balances	1 57 137	14 98 635
[e] Loans and Advances		
[Unsecured and considered good]		
1. Deposits	21 82 428	21 82 428
2. Others	Nil	1 31 040
3. Prepaid Taxes	11 99 961	10 13 272
Total Loans and advances	33 82 389	33 26 740
Schedules forming part accounts as at	30-Jun-2010	30-Jun-2009
	Rs.	Rs.
Schedule No :9		
[a] Liabilities		
[1] Sundry Creditors	1 39 545	Nil
[including Rs Nil due to minor, small & medium enterprises units]		
[2] Outstanding Expenses	3 50 360	81 000
[3] Loans from Directors	65 500	90 500
Total liabilities	5 55 405	1 71 500
[b] Provisions		
Provision for Fringe Benefit Tax	Nil	18 850
Provision for M A T	28 170	Nil
Total	28 170	18 850
Schedule No :10		
Miscellaneous Expenditure to the ext not w/off		
Opening Balance	5 41 465	Nil
Additions during the year	Nil	6 01 628
Less: Written off during the year	- 60 163	- 60 163
Closing Balance	4 81 302	5 41 465

VMF SOFT TECH LIMITED

Schedules forming part accounts as at 30/06/2010

Schedule No : 11			
Profit and loss account			
Opening Balance of Loss	2 46 23 187		1 21 86 547
Add: Loss for the year	-19 08 462		1 24 36 640
Closing Balance	2 27 14 725		2 46 23 187
Schedules forming part accounts as at	30-Jun-2010		30-Jun-2009
	Rs.		Rs.
Schedule No : 12			
Sales			
[a] Export sales			
[1] Soft ware division	80 22 000		89 90 723
[b] Local Sales			
[1] Soft ware division	14 00 000		Nil
Total Sales	94 22 000		89 90 723
Schedule No : 13			
Soft ware expenses			
Sub Contract Expenses	34 35 220		56 08 508
Computer maintenance	1 19 200		23 470
Total soft ware expenses	35 54 420		56 31 978
Schedule No : 14			
Personnel Expenses			
Directors Remuneration	Nil		3 00 000
Salaries & Allowances	4 16 452		87 13 010
Professional Fee	11 11 783		2 27 747
Staff welfare Exps	1 423		45 705
Total personnel expenses	15 29 658		92 86 462
Schedule No :15			
Administrative expenses			
Rent Rates & Taxes	2 02 050		2 33 725
Communication Expenses	44 570		1 47 794
Travelling & Conveyance	1 27 472		4 65 288
Office Maintenance	39 475		7 65 357
Bank Charges	15 176		56 467
Business Promotion	87 359		1 11 992
Audit Fee	40 000		50 000
Total Administrative Expenses	5 56 102		18 30 622

VMF SOFT TECH LIMITED

Schedules forming part accounts as at 30/06/2010

Schedule No :4

Fixed Assets - Gross Block

30-Jun-2010 Rs.

S No.	Description of Asset	Gross block		
		As At 1-Jul-2009	Additions During Year	As At 30-Jun-2010
2.	Plant & Machinery			
	[a] Equipment	1 64 759		1 64 759
	[b] Electrical instl.	2 03 070		2 03 070
4.	Computers	50 00 000	26 849	50 26 849
6.	Office equipments			
	[a] Epabx systems	1 22 265		1 22 265
	[b] Neon sign board	27 010		27 010
	[c] Fax machine	47 755		47 755
	[d] Water Cooler	24 127		24 127
	[e] Air conditioners	4 69 272		4 69 272
7.	Vehicles			
	[a] Scooter	3 800		3 800
8.	Soft Ware	67 10 205		67 10 205
	Total:	1 27 72 263	26 849	1 27 99 112
	Previous years figures	3 90 60 894	- 2 67 88 631	1 22 72 263

Schedule No :5

Fixed Assets - Depreciation

30-Jun-2010 Rs.

S No.	Description of Asset	Gross block		
		Up to 1-Jul-2009	For the Year	Up to 30-Jun-2010
2.	Plant & Machinery			
	[a] Equipment	1 16 256	7 828	1 24 084
	[b] Electrical instl.	1 09 569	9 644	1 19 213
4.	Computers	3 59 228	8 11 814	11 71 042
6.	Office equipments			
	[a] Epabx systems	74 200	7 616	81 816
	[b] Neon sign board	23 924	1 684	25 608
	[c] Fax machine	14 967	2 268	17 235
	[d] Water Cooler	10 603	1 148	11 751
	[e] Air conditioners	1 96 599	22 292	2 18 891
7.	Vehicles			
	[a] Scooter	3 361	360	3 721
8.	Soft Ware	20 74 689	10 89 066	31 63 755
	Total:	29 83 396	19 53 720	49 37 116
	Previous years figures	2 95 07 750	- 2 65 24 354	29 83 396

VMF SOFT TECH LIMITED

Schedules forming part accounts as at 30/06/2010

Schedule No :6 Fixed Assets - Net Block 30-Jun-2010 Rs.

S No.	Description of Asset	Gross block		
		As at 1-Jul-2009	As at 30-Jun-2009	Rate of Dep.
2.	Plant & Machinery			
	[a] Equipment	40 675	48 503	4.75%
	[b] Electrical instl.	83 857	93 501	4.75%
4.	Computers	38 55 807	46 40 772	16.21%
6.	Office equipments			
	[a] Epabx systems	40 449	48 065	6.23%
	[b] Neon sign board	1 402	3 086	6.23%
	[c] Fax machine	30 520	32 788	4.75%
	[d] Water Cooler	12 376	13 524	4.75%
	[e] Air conditioners	2 50 381	2 72 673	4.75%
7.	Vehicles			
	[a] Scooter	79	439	9.50%
8.	Soft Ware	35 46 450	46 35 516	16.21%
	Total:	78 61 996	97 88 867	
	Previous years figures	97 88 867	1 00 53 144	



VMF SOFT TECH LIMITED

Schedule No: 16

Accounting policies and notes to accounts forming part of accounts:

I. Accounting policies

1) Basis of accounting:

i) The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards issued by the institute of chartered accountants of India and requirements of the Companies Act 1956 and on a going concern concept.

ii) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

2) Revenue Recognition:

I. Revenue from software is recognized on billing to clients.

3) Fixed Assets:

I. The fixed assets are stated at cost of acquisition and subsequent improvements thereto including taxes, Duties, freight and other incidental expenses related to acquisition and installation.

4) Depreciation:

Depreciation on fixed assets is provided on Straight line method on pro –rata basis at the rates prescribed in schedule XIV of the Companies Act, 1956 as amended from time to time.

5) Borrowing cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

6) Inventories:

Inventories are valued at lower of the cost or net realizable value which ever is lower.

7) Transaction in foreign currency:

i) Revenue transactions are incorporated in company's account at the exchange rates prevailing on the date of receipt/payment.

ii) Current Assets and liabilities are incorporated at the rates of exchange prevailing on the last working day of the year.

iii) Exchange fluctuations are accounted to profit and loss account.

8) Preliminary expenditure:

I. To write off preliminary expenses in ten equal yearly installments.

9) Investments:

I. Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

10) Taxes on Income

i. Current tax is determined on the amount of tax payable in respect of taxable income for the year.

ii. To provide and recognize deferred tax on timing difference between taxable income and accounting income subject to prudent practices.

11) Segment reporting:

I. To disclose the revenue and expenses by way of business segments, geographical segments and customer segments.

12) Related parties Transactions:

I. Related party transactions including purchases, services, fund and non fund based agreements are disclosed separately.

13) Employees' Retirement Benefits:

I. Retirement benefits are provided in accounts on a rational method where in accrued liability for retirement benefits payable to all employees at the end of the year are reflected.

VMF SOFT TECH LIMITED

14) Contingencies

I. All major events occurring after the date of financial statements, which impair the financials are duly provided.

II. Notes to accounts

1. Contingent liabilities	30-06-2010	30-06-2009
[a] Claims against the company not acknowledged as debts	Nil	Nil
[b] Uncalled liability on shares partly paid	Nil	Nil
[c] Arrears of fixed cumulative dividend	Nil	Nil
[d] Estimated amount of contracts remaining to be paid on capital account not provided for	Nil	Nil
[e] Other money for which the company is contingently liable	20.73 Lakhs	20.73 Lakhs
2. Directors remuneration	30-06-2010	30-06-2009
[a] Paid during the year	Nil	3,00,000
Total	Nil	3,00,000
[b] Computation of net profit under section 309 [5] of the companies act, 1956	N A	NA
3. Particulars of employees	30-06-2010	30-06-2009
Particulars of employees in accordance with section 217 2A of the companies act, 1956	Nil	Nil
4. Auditors Remuneration	30-06-2010	30-06-2009
[a] As auditor	25,000	25,000
[b] Income Tax Representation Fee	15,000	15,000
Total	40,000	40,000

VMF SOFT TECH LIMITED

5. Additional information:

Quantitative details are not applicable since it is a software development company.(Rs./ Lakhs)

Soft ware sales	30-06-2010	30-06-2009
Export	80.22	89.91
Local	14.00	Nil
	94.22	89.91

	30-06-2010	30-06-2009
[e] Value of imports during the year	Nil	Nil
[f] Expenditure in foreign currencies	Nil	Nil
[g] Remittances in foreign currencies		
[h] Earnings in foreign currencies	US \$ 1,75,000	US \$ 2,22,743

Related Party Transactions as per AS 18

Transactions with related parties in the ordinary course of business

	30-06-2010	30-06-2009
Associated Companies	Nil	Nil
Key Managerial Personnel	Not Applicable	Not Applicable

Earnings Per Share:

Particulars	Earnings Per Share 30-06-2010	Earnings Per Share 30-06-2009
Equity share of face Value Rs 10/ each		
Net Profit	Rs. 19,08,462	Rs. 1,24,36,640
Number of shares used in Computing Earnings	92,31,900	92,31,900
Earnings Per Share	Rs. 0.21	Not Applicable



VMF SOFT TECH LIMITED

6. Confirmation of balances from parties as at the end of the year has not been received. The adjustments, if any, shall be made as an ongoing process. Current liabilities are subject to confirmation and adjustments, if any.
7. Employees' retirement benefits have not been provided pending actuarial valuation.
8. In the opinion of the management the followings investments are good and recoverable in view of the future road map of the companies.
Technovention Tradex Private Limited – Rs. 14,55,000
IGLILY INC Rs. 1,81,49,552
9. Deferred Tax liability:- In conformity with the accounting standards no 22 issued by the Institute of Chartered Accountants of India on "Accounting for Taxes on income", provision for deferred tax Asset for current year has been taken to profit and loss account. The composition of deferred tax is on account of timing differences relating to depreciation.
10. Presently the company is not liable under Provident Fund and Employees State Insurance Act.
11. There are no minor small and medium enterprises units to whom the company owes a sum exceeding Rupees one lakh which is outstanding for more than 30 days
12. Previous years figures have been regrouped wherever necessar

Signatories to schedules 1 to 16
For and on behalf of Board of Directors

sd/-

KRISHNA REDDY CHINTAM
MANAGING DIRECTOR

sd/-

P KRISHNAM RAJU
DIRECTOR

Vide our report of even date
For **Mahesh, Virender & Sriram**
Chartered Accountants
sd/-

B R MAHESH
PARTNER
M No- 18628

Date: 30th August 2010
Place: Hyderabad

VMF SOFT TECH LIMITED

Cashflow statement for the year ended 30/06/2010

	Particulars	30 June 2010	30 June 2009
a.	Cash flow from operating activities		
	Net Profit before tax	17 34 871	-1 29 44 233
	Depreciation	19 53 720	17 84 931
	Deferred Tax	28 874	
	Miscellaneous Expenditure Written off	60 163	60 163
	Loss on Sale of assets	Nil	5 73 730
	Sundry Accounts Written Back	-23 979	-1 29 354
	Operating profit before working capital changes	37 53 650	-1 06 54 762
	Trade & other Receivables	-4 09 86 419	3 77 02 131
	Inventories		
	Trade Payable	3 83 905	-1 71 56 830
	Others	-46 329	51 73 685
	Cash generated from operations	- 3 68 95 193	1 50 64 223
	Interest & finance charges paid	Nil	Nil
	Direct Taxes paid		
	Cash flow before extra ordinary items	- 3 68 95 193	1 50 64 223
	Extra ordinary items	23 979	-3 21 89 954
	Net cash from operating activity	-3 68 71 215	-1 71 25 731
b.	Cash flow from investing activity		
	Purchase of fixed assets	- 26 849	-26 56 517
	Interest received	1 73 591	4 15 984
	Dividend Received	Nil	1 89 201
	Investments	3 53 82 974	
	Extra-ordinary items		1 29 354
	Net cash used in investing activities	3 55 29 716	-19 21 978
c.	Cash flow from financing activities		
	proceeds of share application and or allotment	Nil	2 04 50 000
	Proceeds of long term borrowings	Nil	
	Repayments to long terms borrowings	Nil	
	proceeds from working capital borrowings	Nil	
	Public issue expenses	Nil	
	Extraordinary items	Nil	
	Net cash accrued in Financing activities	Nil	2 04 50 000
	Net increase in cash and cash equivalent	- 13 41 498	14 02 291
	Cash & Cash equivalent as at 1 day	14 98 635	96 343
	Cash & cash equivalent as at last day	1 57 136	14 98 635



VMF SOFT TECH LIMITED

VMF SOFT TECH LIMITED
Regd. Office: 22-240/5, Nandita Complex, Opp. KPHB Colony,
Kukatpally, Hyderabad – 500072, India

ATTENDANCE SLIP

Name:
Folio No:
Number of Shares:

VMF SOFT TECH LIMITED

I hereby record my presence at the 16th Annual General Meeting of the Company at Regd. Office: 22-240/5, Nanditha Complex, Opp. KPHB Colony, Kukatpally, Hyderabad – 500072, India on Thursday the 23rd, of December, 2010 at 11.00 AM.

Signature of the Attending Member/Proxy

Note: Shareholder/Proxy holder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.

VMF SOFT TECH LIMITED
Regd. Office: 22-240/5, Nanditha Complex, Opp. KPHB Colony,
Kukatpally, Hyderabad – 500072, India

PROXY FORM

I/We of (address)
being a Member/Members of VMF Soft Tech Limited, hereby appoint Mr./Miss/Mrs./M/s.....
..... of (address)
as my/our proxy to attend and vote on my/our behalf at the 16th Annual General Meeting of the Company to be held on Thursday the 23rd of December, 2010 at 11.00 AM.

Signed this day of 2010.

Regd. Folio No

Number of Shares:

Signature

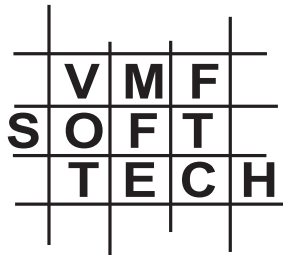


Note: The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of the holding the meeting. A proxy need not be a member.

BOOK POST



VMF SOFT TECH LIMITED



If undelivered please return to:

VMF SOFT TECH LIMITED

Regd. Office: 22-240/5, Nanditha Complex, Opp. KPHB Colony,
Kukatpally, Hyderabad – 500072, India