



2010 - 2011

12th Annual Report



V & K Softech Ltd.

Powered by Technology, Driven by Passion

BOARD OF DIRECTORS

MR. PREM GUPTA

Managing Director

MR. SATISH KUMAR GUPTA

Non – Executive Director

MR. SERVESH GUPTA

Non – Executive Director

MR. D. UDAY KIRAN

Non – Executive Director

MR. UMESH GOVIND BHAT

Non – Executive Director

MR. RAJESH KUMAR GUPTA

Non – Executive Director

MR. KULDIP SINGH BAJWA

Non – Executive Director

Auditor

M/s. Venkata Srinivas & Associates
Chartered Accountants

Bankers

HDFC Bank, New Delhi
IDBI Bank, New Delhi
Axis Bank, Kolkata

Company Secretary

Mr. G. S. Monga

Registrar and Transfer Agent

M/s Bigshare Services Private Limited
E-2/3, Ansal Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (East), Mumbai - 400 072

Registered Office

I - 405, 4th Floor,
Divyashakti Apartments,
Ameerpet, Hyderabad- 500 016

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NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of V & K Softech Limited is scheduled to be held on Monday, the 8th day of August, 2011 at 16:00 Hrs at the Registered Office of the Company at I- 405, 4th Floor, Divyashakti Apartments, Ameerpet, Hyderabad- 500 016, to transact the following business(es):

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and Profit & Loss Account for the period from 1st April, 2010 to 31st March, 2011 together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. D. Uday Kiran, who retires by rotation and being eligible, seeks re-appointment.
3. To appoint Statutory Auditors of the Company, to hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

“RESOLVED THAT M/s PVR-N & Co., Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the date of conclusion of ensuing Annual General Meeting till the date of conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon among themselves.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the Companies Act, 1956, the Memorandum and Articles of Association of the Company and other applicable provisions, if any, and subject to such other consents, permissions and approvals as may be required, the consent of the Members of the Company be and is hereby

accorded for change in control and management of the Company by transfer of absolute control of management and affairs of the Company to Mr. Satish Kumar Gupta and Mr. Servesh Gupta to have control over the affairs and management of the Company, in replacement of the present Promoters having control over the management and affairs of the Company with effect from the declaration of results of the Postal Ballot *i.e.* 12th August, 2011.

RESOLVED FURTHER THAT the consent of the Members, be and is hereby accorded to dispense with the requirement of making a Public Announcement and Open Offer for purchase of shares and obtaining control over the Company, by the new Promoters in terms of the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and other applicable provisions, if any.

RESOLVED FURTHER THAT the term “Control” would have the same meaning as defined under Regulation 2(1)(c) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

RESOLVED FURTHER THAT the Board of Directors (including any Committee of the Board) of the Company be and is hereby authorized to do all such acts, deeds, matters and things including signing of such forms, documents and agreements as may be necessary and expedient to give effect to the above resolution.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:

“RESOLVED THAT Mr. Satish Kumar Gupta, who was appointed as an Additional Director in the meeting of Board of Directors held on 4th July, 2011, pursuant to Section 260 and other applicable provisions of the Companies Act, 1956 and Articles of Association of the Company to hold the office up to the ensuing Annual General Meeting and in respect of whom the Company has received notice in writing from the member as required under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director. be and is hereby appointed as Director of the Company, whose office shall be liable for determination through retirement by rotation.

RESOLVED FURTHER THAT Mr. Satish Kumar Gupta shall be deemed to be a Promoter Director of the Company with effect from the declaration of results of the Postal Ballot *i.e.* 12th August, 2011.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:

“**RESOLVED THAT** Mr. Servesh Gupta, who was appointed as an Additional Director in the meeting of Board of Directors held on 4th July, 2011, pursuant to Section 260 and other applicable provisions of the Companies Act, 1956 and Articles of Association of the Company to hold the office up to the ensuing Annual General Meeting and in respect of whom the Company has received notice in writing from the member as required under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, whose office shall be liable for determination through retirement by rotation.

RESOLVED FURTHER THAT Mr. Servesh Gupta shall be deemed to be a Promoter Director of the Company with effect from the declaration of results of the Postal Ballot *i.e.* 12th August, 2011.”

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

“**RESOLVED THAT** Mr. Kuldip Singh Bajwa, who was appointed as an Additional Director in the meeting of Board of Directors held on 4th July, 2011, pursuant to Section 260 and other applicable provisions of the Companies Act, 1956 and Articles of Association of the Company to hold the office up to the ensuing Annual General Meeting and in respect of whom the Company has received notice in writing from the member as required under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company, whose office shall be liable for determination through retirement by rotation.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as a Special Resolution:

“**RESOLVED THAT** subject to the provisions of Section 21 and 31 of the Companies Act, 1956 and

other applicable provisions, if any, and subject to the approval of Central Government and other authorities as may be required, the name of the Company, be and is hereby changed from “**V&K Softech Limited**” to “**USG Tech Solutions Limited**”.

RESOLVED FURTHER THAT the Clause I of the Memorandum of Association of the Company, be substituted with the following new Clause:

- I. The Name of the Company is USG Tech Solutions Limited.

RESOLVED FURTHER THAT the name V&K Softech Limited wherever it appears in the Memorandum and Articles of Association of the Company be substituted by USG Tech Solutions Limited.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things that may be necessary, proper or expedient, to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to agree to such changes/modifications as may be suggested by the Registrar of Companies or other competent authority or that may otherwise deem fit by the Board and to take such other steps as may be required to give effect to this resolution.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions contained in the Companies Act, 1956, Articles of Association of the Company, Clause 23(a) of the Listing Agreement and such other applicable provisions, if any, and subject to the provisions of Chapter VII of SEBI(ICDR) Regulations, 2009 as applicable to Re-issue of Forfeited Shares, the approval of the members be and is hereby accorded, to the Board to Re-issue 8,96,882 Equity Shares of Rs. 10/- each at a price not less than Rs 10/- per share on Preferential basis, which were earlier forfeited on account of non-payment of call mon(ies) in one or more lots, to such persons and on such terms and conditions as may be decided by Board of Directors.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to take such necessary steps or to do all such acts, deeds and things as may be required to give effect to the above resolution."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 (hereinafter referred to as "the Act") and other applicable provisions of the Act, if any, and subject to the provisions of the Memorandum & Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 and other applicable regulations and guidelines issued by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), Government of India ("GOI"), or any other relevant authority and clarifications thereon issued from time to time, if any, and subject to all such statutory, regulatory and government approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution); the consent of the Members of the Company be and is hereby accorded to the Board to create, issue and allot up to 3,19,50,000 (Three Crores Nineteen Lakhs and Fifty Thousands) convertible warrants/Resultant Equity Shares with an entitlement to convert into/exchange with, at the option of the warrant holder(s) (hereinafter referred to as the convertible warrants), equal number of Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up of the Company in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009. The said Warrants shall be converted within a period of eighteen months from the date of issue, in one or more tranches, by way of preferential allotment to various Strategic Investors,

as per the terms and conditions given in the Explanatory Statement annexed to this notice, which, inter alia, include:

- a. Issue of upto 3,19,50,000 (Three Crores Nineteen Lakhs and Fifty Thousands) Convertible Warrants to the Strategic Investors of the Company with an entitlement to convert into/exchange with the equal number of Equity Shares of the Company, in one or more tranches, at the option of the warrant holder(s), within a period of 18 months from the date of issue of such Convertible Warrants:

S. No.	Name of the Proposed Allottees	Number of Convertible Warrants
1	Romy Bansal	300000
2	Gautam Tayal	250000
3	Rita Tayal	250000
4	Poonam Agarwal	250000
5	Chand Kishore Agarwal	250000
6	Bhawna Agarwal	250000
7	Raj Kumar Jain	500000
8	Gaurav Jain	500000
9	Urmila Goel	500000
10	Promila Goel	500000
11	Charu Goel	500000
12	Prateek Goel	500000
13	Rohit Goel	500000
14	Rajinder Kumar Goel	250000
15	Himanshu Goel	250000
16	Rajinder Kumar Goel & Sons HUF	250000
17	Sushant Goyal	250000
18	Swati Gupta	300000
19	Satender Kumar Jain	300000
20	Chetan Jain	300000
21	Ishwar Chand	250000
22	Govind Agarwal	200000
23	Krishan Kumar	250000
24	Naresh Kumar	250000
25	Heema Agarwal	250000
26	Yogesh Kumar Agarwal & Sons HUF	250000
27	Yogesh Agarwal	500000
28	Suresh Asrani & Sons HUF	100000
29	Nikhil Asrani & Sons HUF	100000
30	Aseem Asrani & Sons HUF	100000
31	Sanjay Gupta	200000
32	Sarthak Gupta	100000
33	Pradeep Gupta	200000
34	Manju Dev	250000

35	Renu Gupta	500000
36	Shivani Gupta	500000
37	Anil Kumar	2100000
38	Anil Kumar Jindal	2100000
39	Sunita Jindal	2100000
40	Naresh Bansal	2100000
41	Padma Bansal	2100000
42	Arun Garg	2100000
43	Neeru Garg	2100000
44	Raxa Rani	2100000
45	Vipin Gupta	2100000
46	Radhika Gupta	2100000
Total		3,19,50,000

- b. Entitlement of the Convertible Warrants to the extent not exercised shall be lapsed and up-front amount paid on such warrants shall be forfeited.
- c. The resultant Equity Shares on conversion of the Warrants shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including as to dividend with the existing equity shares of the Company except that new equity shares will be subject to lock-in requirement in terms of the provisions of the SEBI (ICDR) Regulations, 2009.
- d. The Relevant Date for the purpose of pricing of issue of the resultant Equity Shares on conversion of the Warrants in accordance with the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 is 8th July, 2011 being the 30th day prior to 8th August, 2011 (i.e., the date on which the meeting of the general body of shareholders is held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue).

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to reduce, change or modify the number of Convertible Warrants to be issued, to finalize and modify the terms and conditions, quantum, pricing, timings, utilization of the issue proceeds and all other matters relating to the issue and allotment of the aforesaid preferential issue of Convertible Warrants/resultant Equity Shares and listing thereof with Stock Exchanges as appropriate, to agree to such conditions or modifications that may be imposed, required or suggested by the Securities & Exchange Board of India (the SEBI), Stock Exchange(s) or other authorities, or that may otherwise be deemed fit or proper by the Board without being required to seek any further consent

or approval of the Company in General Meeting and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters and things as may be required, necessary, proper or expedient, to give effect to this Resolution."

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

"RESOLVED that pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956, and other applicable provisions, if any, and subject to the approval of the shareholders of the Company, the Authorised Share Capital of the Company be increased from Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs. 43,00,00,000/- (Rupees Forty Three Crores Only) divided into 4,30,00,000 (Four Crores Thirty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be substituted with the following Clause:

The Authorised Share Capital of the Company is Rs. 43,00,00,000/- (Rupees Forty Three Crores Only) divided into 4,30,00,000 (Four Crores Thirty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each, with power to increase and/or reduce the capital for the time being into several classes to attach thereto respectively such preferential, deferred qualified or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, or abrogate any such rights, privileges or conditions, in such manner as may for the time being be provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to take such necessary steps or to do all such acts, deeds and things as may be required to give effect to the above resolution."

By Order of the Board
V & K Softech Limited

Sd/-
G.S. Monga
Company Secretary

Hyderabad, 11th July, 2011

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956, related to special business under item no. 4 to 11 annexed hereto.
4. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing the representatives to attend and vote in the General Meeting.
5. Pursuant to section 154 of the Companies Act, 1956, the Register of the Members and the Share Transfer Books of the Company will remain closed from Thursday the 4th day of August, 2011 to Monday, the 8th day of August, 2011 (both days inclusive).
6. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
7. Members are requested to notify any change in their address, if any to the Registrar & Share Transfer Agent of the Company - M/s Bigshare Services Pvt. Limited, E-2/3Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri, Mumbai (East) - 400 072 in respect of the Physical Shares and to the Depository Participant in respect of the shares held in Demat form.
8. The Copies of Memorandum and Article of Association of the Company, and all other documents referred in the Notice etc., shall be available for the inspection at the Registered Office of the Company on any working day between 11:00 Hrs to 14: 00 Hrs up to the date of Annual General Meeting and also at the venue of Meeting.
9. In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote. Pursuant to provisions of Section 109A of the Companies Act, 1956 every member or Joint holder (s) may nominate in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the Joint holders.
10. Members are requested to notify their particulars including e-mail Id for updating the records in the performa enclosed with proxy/attendance slip.
11. Members are requested to fill in the attendance slip for attending the meeting and those who hold shares in dematerialised form to bring their client ID and depository participants ID number for identification for attendance at the meeting.
12. Members/Proxies are requested to bring their copy of Annual Report and Attendance Slips duly filled in and signed for attending the Meeting.
13. The Register of Contract, maintained under Section 301 of the Companies Act, 1956 will be available for inspection by the members at the registered office of the Company.
14. The Registers of Director's Shareholding maintained under Section 307 of the Companies Act, 1956 shall be available for inspection by the members at the AGM during the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4:

To scale up the business operations and profitability of the Company and to generate significant shareholders value, your Board had been exploring various business avenues.

Accordingly, substantial resources are required to be infused in the Company. It is therefore, proposed to introduce new promoters viz Mr. Satish Kumar Gupta and Mr. Servesh Gupta in the Company in place of the existing promoters.

The new Promoter Directors have business acumen in providing end-to-end payment solutions that unites trading and other commercial activities on to a single platform and have considerable experience in their respective fields.

Therefore, in the larger interest of the Company, it is proposed to effect a change in management in the Company by designating Mr. Satish Kumar Gupta, Mr. Servesh Gupta as Promoters of the Company in place of the existing Promoters. After taking shareholders approval by way of Special Resolution passed in Postal Ballot Process, the present Promoter will give their resignation and hand over management and control of the Company to new Promoters.

The New promoters along with the persons acting in concert have nil shareholding in the Company and may further acquire shareholding below 15% of the paid up capital of the Company. The new promoters will be deemed to be the persons having control over the Company and its Management.

In terms of the provision of Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and other applicable provisions, if any, the proposed special resolutions at Item no. 4 to 6 are required to be passed in the General Meeting as well as through Postal Ballot process.

The Board recommends the resolutions for adoption by Members by way of Special Resolution.

Mr. Satish Kumar Gupta, Mr. Servesh Gupta, the present Director are deemed to be interested or concerned in the proposed resolutions at Item nos. 4.

Item No. 5

Mr. Satish Kumar Gupta was co-opted on the Board of Directors of the Company as Additional Director w.e.f. 4th July, 2011 to hold office until the date of ensuing Annual General Meeting.

The Company has received notices in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Satish Kumar Gupta for the office of Director of the Company in the ensuing Annual General Meeting.

Mr Satish Kumar Gupta has completed its Bachelors in Engineering. He is having rich experience in Real Estate development, Construction, Projects & Construction Management. He has proved pivotal in devising and implementing systems in all spheres of his specialised fields.

The information required in terms of clause 49 of the Listing Agreement is annexed hereto.

The Board recommends the resolutions for adoption by Members by way of Special Resolution.

None of the Directors except Mr. Satish Kumar Gupta, is concerned or interested in the proposed resolution.

Item No. 6

Mr. Servesh Gupta was co-opted on the Board of Directors of the Company as Additional Director w.e.f. 4th July, 2011 to hold office until the date of ensuing Annual General Meeting.

The Company has received notices in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Servesh Gupta for the office of Director of the Company in the ensuing Annual General Meeting.

Mr. Servesh Gupta possesses an honours degree in Commerce, he set out to change the real estate development industry through his remarkable organizational and managerial skills. Throughout the

decade he has actively been involved in reshaping business processes, he always adhered to the highest standards both in terms of company methods as well as his own efforts.

The information required in terms of clause 49 of the Listing Agreement is annexed hereto.

The Board recommends the resolutions for adoption by Members by way of Special Resolution.

None of the Directors except Mr. Servesh Gupta is concerned or interested in the proposed resolution.

Item No. 7

Mr. Kuldip Singh Bajwa was co-opted on the Board of Directors of the Company as Additional Director w.e.f. 4th July, 2011 to hold office until the date of ensuing Annual General Meeting.

The Company has received notices in writing along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Kuldip Singh Bajwa for the office of Director of the Company in the ensuing Annual General Meeting.

Mr. Kuldip Singh Bajwa is Post graduate in humanities, Management degree in Finance from Delhi University and has completed CAIIB (Certified Associate Institute of Bankers). He is having 37 years of experience in Finance & IT.

The information required in terms of clause 49 of the Listing Agreement is annexed hereto.

The Board recommends the resolutions for adoption by Members by way of Ordinary Resolution.

None of the Directors except Mr. Kuldip Singh Bajwa, is concerned or interested in the proposed resolution.

Item No.8

The Company has plans for expansion of its business activities and will be promoted by US group, therefore to reflect the same in the name and to give the Company the brand image of USG, the Company intends to change its name. The Board has considered the matter in meeting

held on 4th July, 2011 and the Registrar of Companies, Andhra Pradesh in response to the Companies Application for availability of name has given the necessary approval to the change of name. Accordingly, the Board proposes that the name of the Company be changed to "USG Tech Solutions Limited".

In compliance with the provisions of section 21 of the Companies Act, 1956 the approval of the Members of the Company by way of Special Resolution is required for the change of name of the Company.

The Board recommends the resolutions for adoption by Members by way of Special Resolution.

None of the directors is concerned or interested in the above resolution.

Item No. 9

The Company proposes to Re-issue 8,96,882 Equity Shares of Rs. 10/- each, which were earlier forfeited on account of non-payment of the call(s) money due thereon, in the year 2006, in one or more lots. Article 49 in the Articles of Association of the Company provides that Forfeited Shares may be sold or otherwise disposed off on such terms and in such manner as the Board of Directors may think fit and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of Directors may think fit. Accordingly, the Board proposes to Re-issue the Equity Shares at Rs. 10/- each to such persons and on such terms and conditions as per the Special Resolution at Item no. 9 of this Notice.

The Board recommends the resolutions for adoption by Members by way of Special Resolution.

None of the directors is concerned or interested in the above resolution.

Item No. 10

Your Company proposes to expand its business operations in the IT Sector. However, more funds would be required by the Company for the business activities/projects and expansion plans of the Company. Therefore, your Company intent to raise funds through Preferential Issue of Convertible Warrants/resultant Equity Shares. Your Board proposes to issue 3,19,50,000 (Three Crores

Nineteen Lakhs and Fifty Thousands) Convertible Warrants to Strategic Investors with an entitlement to convert into/exchange with the equal number of Equity Shares of the Company, in one or more tranches, at the option of the warrant holder(s), within a period of 18 months from the date of issue of such Convertible Warrants, in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009.

Since your Company is a listed company, the proposed issue is in terms of the provisions of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements), Regulations, 2009, and other applicable provisions, if any. In terms of the provisions of the Companies Act, 1956, and the aforesaid SEBI Regulation, the relevant disclosures/details are given below:

Instrument and Numbers: The Company is proposing to issue the following instruments on preferential allotment basis:

- a. Convertible Warrants not exceeding 3,19,50,000 (Three Crores Nineteen Lakhs and Fifty Thousand) to the Strategic Investors as per the Special Resolution set out in the Notice.
- b. The Holder(s) of these warrants shall be entitled to convert the warrants into/exchange with the Equity Shares of the Company in the ratio of 1:1, i.e., one Equity Share for every one warrant held within a period of 18 (eighteen) months from the date of issue of Convertible Warrants. The warrant holder(s) shall make a written request to the Company to exercise the entitlement and send the same along with complete balance payment payable on the resultant shares atleast 30 days before the exercise of the entitlement. Entitlement of the Convertible Warrants to the extent not exercised shall lapse and up-front amount paid on such warrants shall be forfeited.

Relevant Date & Issue Price: The relevant date for the purpose of determination of issue price of the Convertible Warrants/resultant Equity shares is 8th July, 2011 (being the 30th day prior to 8th August, 2011 i.e., the date on which the meeting of the general body of shareholders is held). As per Regulation 76 (2) of the SEBI (ICDR) Regulations, 2009, the minimum issues price to be calculated shall be not less than the higher of the following:

- a) the price at which Equity Shares were issued by the issuer in its initial public offer or the value per share arrived at in a scheme of arrangement under sections 391 to 394 of the Companies Act, 1956, pursuant to which the equity shares of the issuer were listed, as the case may be; or
- b) the average of the weekly high and low of the closing prices of the related equity shares quoted on the recognised stock exchange during the period shares have been listed preceding the relevant date; or
- c) the average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

Payment:

In terms of the provisions of Regulation 77 of the SEBI (ICDR) Regulations, 2009, 25% of the issue price of the resultant equity shares shall be payable at the time of issue of warrants. The up-front amount paid will be adjusted against the final payment required to be made for acquiring shares in exchange with the warrants. The up-front amount paid shall be forfeited if and to the extent, option(s) to acquire shares is not exercised.

Identity & Particulars of proposed allottees and pre & post issue holding of the proposed allottees:

Present preferential issue of Convertible Warrants is proposed to be made to the following Strategic Investors. All the proposed allottees are having PAN.

The present Paid up Share capital of the Company is Rs. 9, 75, 39,180/- (Nine Crores Seventy Five Lakhs Thirty Nine Thousand One Hundred and Eighty only) divided into 97, 53,918 Equity shares of Rs. 10/- each. After allotment of the forfeited Share Capital and resultant Equity Shares on conversion of the Warrants, the post issue Share Capital of the Company shall be Rs. 42,60,08,000/- (Forty Two Crores Sixty Lakhs and Eight Thousand Only) divided into 4,26,08,000 Equity shares of Rs 10/- each. The pre issue and post issue shareholding of the proposed allottees is shown in the table below:

S. No.	Name	Address	Number of Convertible Warrants to be issued	Pre issue share-holding	%	Post issue share holding (assuming 100% conversion of warrants)	%
1	Romy Bansal	A-7/41, Meiwali Nagar, New Delhi-110047	300000	—	—	300000	0.70
2	Gautam Tayal	A-4/4, Rana Pratap Bagh, Delhi-110007	250000	—	—	250000	0.58
3	Rita Tayal	A-4/4, Rana Pratap Bagh, Delhi-110007	250000	—	—	250000	0.58
4	Poonam Agarwal	H-57, Ashok Vihar, Phase-110001	250000	—	—	250000	0.58
5	Chand Kishore Agarwal	C-45, Ashok Vihar, Phase-1 Delhi-110052	250000	—	—	250000	0.58
6	Bhawna Agarwal	C-45, Ashok Vihar, Phase-1 Delhi-110052	250000	—	—	250000	0.58
7	Raj Kumar Jain	A-2/31, Safdarjung Enclave, New Delhi	500000	—	—	500000	1.17
8	Gaurav Jain	A-2/31, Safdarjung Enclave, New Delhi	500000	—	—	500000	1.17
9	Urmila Goel	3/14, Jaidev Park, New Delhi	500000	—	—	500000	1.17
10	Promila Goel	3/14, Jaidev Park, New Delhi	500000	—	—	500000	1.17
11	Charu Goel	3/14, Jaidev Park, New Delhi	500000	—	—	500000	1.17
12	Prateek Goel	3/14, Jaidev Park, New Delhi	500000	—	—	500000	1.17
13	Rohit Goel	3/14, Jaidev Park, New Delhi	500000	—	—	500000	1.17
14	Rajinder Kumar Goel	E-6, IInd Floor Rani Jhansi Road, Jhandewalan Extn. Delhi-110055	250000	—	—	250000	0.58
15	Himanshu Goel	E-1/11, IInd Floor, Vasant Vihar, New Delhi-57	250000	—	—	250000	0.58
16	Rajinder Kumar Goel & Sons HUF	E-1/11, IInd Floor, Vasant Vihar, New Delhi-110057	250000	—	—	250000	0.58
17	Sushant Goyal	E-1/11, IInd Floor, Vasant Vihar, New Delhi-57	250000	—	—	250000	0.58
18	Swati Gupta	A-24A, Kailash Colony, New Delhi-110048	300000	—	—	300000	0.70
19	Satender Kumar Jain	A-24A, Kailash Colony, New Delhi-110048	300000	—	—	300000	0.70
20	Chetan Jain	A-24A, Kailash Colony, New Delhi-110048	300000	—	—	300000	0.70
21	Ishwar Chand	139, Deepali, Pitampura, Delhi	250000	—	—	250000	0.59
22	Govind Agarwal	432, Deepali, Pitampura, Delhi	200000	—	—	200000	0.47
23	Krishan Kumar	289, Deepali, Pitampura Delhi	250000	—	—	250000	0.59
24	Naresh Kumar	154, Deepali, Pitampura, Delhi	250000	—	—	250000	0.59
25	Heema Agarwal	7/110-C, Swaroop Nagar, Kanpur	250000	—	—	250000	0.59
26	Yogesh Kumar Agarwal & Sons HUF	7/110-C, Swaroop Nagar, Kanpur	250000	—	—	250000	0.59
27	Yogesh Agarwal	7/110-C, Swaroop Nagar, Kanpur	500000	—	—	500000	1.17

28	Suresh Asrani & Sons HUF	B-3/303, 2nf Floor, 19 Rajpura Road, Civil Lines, Delhi-110054	100000	—	—	100000	0.23
29	Nikhil Asrani & Sons HUF	B-3/303, 2nf Floor, 19 Rajpura Road, Civil Lines, Delhi-110054	100000	—	—	100000	0.23
30	Aseem Asrani & Sons HUF	B-3/303, 2nf Floor, 19 Rajpura Road, Civil Lines, Delhi-110054	100000	—	—	100000	0.23
31	Sanjay Gupta	936, Sector-14, Gurgaon, Haryana	200000	—	—	200000	0.47
32	Sarthak Gupta	E-4/8A, Model Town-II, Delhi-110009	100000	—	—	100000	0.23
33	Pradeep Gupta	4683, Deputy Ganj, Sadar Bazaar, Delhi-110006	200000	—	—	200000	0.47
34	Manju Dev	A-69, Nirman Vihar, Delhi	250000	—	—	250000	0.58
35	Renu Gupta	B-393, New Friends Colony, New Delhi	500000	—	—	500000	1.17
36	Shivani Gupta	B-393, New Friends Colony, New Delhi	500000	—	—	500000	1.17
37	Anil Kumar	C-6/39 First Floor Safdarjung Development Area New Delhi-110016	2100000	—	—	2100000	4.92
38	Anil Kumar Jindal	Vaishali-164, Vaishali, Pitampura, Delhi	2100000	—	—	2100000	4.92
39	Sunita Jindal	Vaishali-164, Vaishali, Pitampura, Delhi	2100000	—	—	2100000	4.92
40	Naresh Bansal	1145, Sector-15, Faridabad	2100000	—	—	2100000	4.92
41	Padma Bansal	1145, Sector-15, Faridabad	2100000	—	—	2100000	4.92
42	Arun Garg	F1U-89, Pitampura, Delhi-110034	2100000	—	—	2100000	4.92
43	Neeru Garg	F1U-89, Pitampura, Delhi-110034	2100000	—	—	2100000	4.92
44	Raxa Rani	C-6/39, Block C-6, Safdarjung Development Area, Delhi	2100000	—	—	2100000	4.92
45	Vipin Gupta	House No. 14, Mall Road Karnal-132001	2100000	—	—	2100000	4.92
46	Radhika Gupta	House No. 14, Mall Road Karnal-132001	2100000	—	—	2100000	4.92
			31950000			31950000	

Pre-issue holding of the proposed Allottees: None of the proposed allottees is holding any pre preferential shareholding in the Company.

None of the proposed allottees has sold any shares of the Company during the six months period prior to the relevant date.

Lock-in Period

The Convertible warrants issued to the Strategic Investors shall be subject to a lock-in period of 1 year from the date of issue or such other period as may be prescribed in accordance with the SEBI guidelines. The resultant Equity Shares allotted on conversion of warrants shall also be subject to a lock-in period 1 year for Strategic Investors from the respective dates of allotment of such Equity Shares; reduced to the extent such warrants have already been locked-in.

Pre-issue & Post-issue Shareholding Pattern of the Issuer Company: Pre and Post issue shareholding pattern of the Issuer Company will be as below:

S. No.	Category of Shareholder	Pre-issue Shareholding		Post-issue Shareholding	
		Number of Shares	%	No. of Shares (Assuming 100% conversion of warrants)	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
	(a) Individuals/ Hindu Undivided Family	1225200	11.50	1225200	2.87
	(b) Central Government/ State Government(s)	—	—	—	—
	(c) Bodies Corporate	—	—	—	—
	(d) Financial Institutions/Banks	—	—	—	—
	Sub Total (A)(1)	1225200	11.50	1225200	2.87
2	Foreign				
	a Individuals (Non-Residents Individuals/ Foreign Individuals)	—	—	—	—
	b Bodies Corporate	200000	1.88	200000	0.47
	c Institutions	—	—	—	—
	d Any Others(Specify)	—	—	—	—
	Sub Total(A)(2)	200000	1.88	200000	0.47
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1425200	13.38	1425200	3.34
(B)	Public shareholding				
1	Institutions				
	(a) Mutual Funds/ UTI	354073	3.32	354073	0.83
	(b) Financial Institutions/Banks	240398	2.26	240398	0.56
	(c) Central Government/State Government(s)	—	—	—	—
	(d) Venture Capital Funds	—	—	—	—
	(e) Insurance Companies	—	—	—	—
	(f) Foreign Institutional Investors	—	—	—	—
	(g) Foreign Venture Capital Investors	—	—	—	—
	Sub-Total (B)(1)	594471	5.58	594471	1.39
B 2	Non-institutions				
	(a) Bodies Corporate	1827051	17.15	1827051	4.29
	(b) Individuals	—	—	—	—
	I i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1333241	12.52	1333241	3.13
	II ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	5440667	51.08	37390667	87.76
	Others	30170	0.28	30170	0.07
	Sub-Total (B)(2)	8631129	81.03	40581129	95.25
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	9225600	86.62	41175600	96.66
	TOTAL (A)+(B)	10650800	100.00	42600800	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—
	GRAND TOTAL (A)+(B)+(C)	10650800	100.00	42600800	100.00

Objects and purpose of the Preferential Issue

The Company requires funds for its expansion plans. The Funds raised through the present issue is proposed to be utilized to scale up the operations of the Company including acquisitions, joint ventures, strategic tie-ups or any other modes in India or outside India, to meet working capital requirements of the Company and other general corporate purposes.

Proposed time of Allotment

The Allotment of Convertible Warrants in the present preferential issue will be made within a period of 15 days from the date of passing of the aforesaid Special Resolution, excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, Stock Exchange(s) or other concerned authorities.

Statutory Auditors' Certificate

The Statutory Auditors of the Company has certified that the present Preferential Issue of Equity Shares and convertible warrants, on the above terms and conditions, is in accordance with the requirements contained in the Securities and Exchange Board of India (ICDR), Regulations, 2009, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended up to date. A copy of the certificate from the Statutory Auditors of the Company will be available for inspection at the registered office of the Company and will also be placed before the Members at Meeting.

Undertaking as per Clause 73(1)(g) of Chapter VII of SEBI (ICDR) Regulations, 2009

The Company hereby undertakes that:

- (a) It shall recompute the price of the specified securities in terms of the provisions of these regulations where it is required to do so.
- (b) If the amount payable on account of the recomputation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

The proposed allotment on preferential basis, if made, will not result in change in Management or Control of the Company as per the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the subscribed capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in section 81, unless shareholders in general meeting decide otherwise.

The Board recommends the resolutions for adoption by Members by way of Special Resolution.

None of the Directors are interested or concerned in the Resolution.

Item No. 11

Your Board proposes to Further Issue of Shares on Preferential Basis. The present Authorised Share Capital of the Company would not be sufficient to accommodate the proposed further issue of Equity Shares in the Company. Accordingly, it is proposed to Increase the Authorised Share Capital of the Company from Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs. 43,00,00,000/- (Rupees Forty Three Crores Only) divided into 4,30,00,000 (Four Crores and Thirty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each in order to accommodate the new issue.

The Board recommends the resolutions for adoption by Members by way of Ordinary Resolution.

None of the Directors are interested or concerned in the Resolution.

By Order of the Board
V & K Softech Limited

Sd/-
G.S. Monga
Company Secretary

Hyderabad, 11th July, 2011

ANNEXURE TO NOTICE

Information under clause 49 of the Listing Agreements for Directors seeking appointment under item no. 5, 6 & 7 of the notice

Particulars	Mr. Satish Kumar Gupta	Mr. Servesh Gupta	Mr. Kuldip Singh Bajwa
Educational Qualification	Bachelor of Engineering	Commerce Graduate	M.A. from Panjabi University, Patiala M.B.A. (Finance) from Delhi University CAIB (Certified Associate Institute of Bankers)
Expedience & expertise in specific functional area	Experience in field of Real Estate development, construction project & Construction Management	Experience in IT & Construction	34 years Experience in Finance & IT Industry
Name of Companies in which the person holds directorship	Bhawna Realtors Pvt Ltd USG Solutions Pvt Ltd USG Buildcon Pvt Ltd USG Infrastructure Pvt Ltd U.S.G Realtors Pvt Ltd Yash Buildcon Pvt Ltd SKG Tradelink Pvt Ltd SVKL Properties Pvt Ltd LUV Real Estate Pvt Ltd Devam U S Realtors Pvt Ltd ONS Realtors Pvt Ltd USG Infratech Pvt Ltd	Bhawna Realtors Pvt Ltd USG Solutions Pvt Ltd USG Buildcon Pvt Ltd USG Infrastructure Pvt Ltd U.S.G Realtors Pvt Ltd Yash Buildcon Pvt Ltd SKG Tradelink Pvt Ltd SVKL Properties Pvt Ltd LUV Real Estate Pvt Ltd Maya Promoters Pvt Ltd	Sukkaki Foundation Pvt. Ltd. Sukkaki Techno Financial Consultant Pvt Ltd
Name of Companies in which the person holds membership of Committee	NIL	NIL	NIL
Shareholding in the Company (Number & %)	NIL	NIL	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors are delighted to present the Twelfth Annual Report on the business and operations for the Financial Year ended 31st March, 2011:

FINANCIAL & OPERATIONAL HIGHLIGHTS:

(Rs. In Lacs)

PARTICULARS	Year ended 31st March 2011	Year ended 31st March 2010
Income	2408.96	2341.75
Expenditure	2342.17	2290.86
Profit Before Tax	66.80	50.89
Provision For Tax	25.42	22.38
Profit Before Deferred Tax	41.38	28.51
Provision For Deferred Tax	(4.77)	(9.04)
Net Profit After Taxation	46.15	37.55
Equity Share Capital (F.V Rs.10 each)	975.39	975.39
Reserve & Surplus	164.89	118.74
Earning per Share	0.47	0.38

During the year under review, the Company's turnover was Rs 2408.96 Lacs and has posted a profit of Rs 46.15 Lacs as compared to Rs.2341.75 Lacs and Rs. Rs. 37.55 Lacs respectively in previous year. However, your Directors are hopeful that in the coming years, the Company will definitely perform up to the mark and retain the stakeholders' value.

Dividend:

In order to strengthen the fundamentals of the Company, your Directors decided that it would be prudent to plough back the profits of the Company and accordingly the Board does not propose and declare any dividend for the year under review.

Public Deposits:

The Company has not invited/accepted any public deposits under section 58A & 58AA of the Companies Act, 1956 during the year ended on 31st March, 2011.

Directors:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. D. Uday Kiran, Director of the Company, retires by rotation and being eligible, seeks re-appointment.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Satish Kumar Gupta, Mr. Servesh Gupta, Mr. Kuldeep Singh Bajwa were appointed as Additional Directors of the Company w.e.f. 04th July, 2011 and shall hold office till the date of the ensuing Annual General Meeting. Your Company has received notices in writing proposing their candidature along with the requisite deposit pursuant to the provisions of Section 257 of the Companies Act, 1956. Your Directors' recommend their appointment.

Brief details of the Directors seeking appointment/re-appointment as stipulated under Clause 49 of the Listing Agreement with the stock exchange is enclosed with the Notice.

Disclosure under Section 217(1) (d) of the Companies Act, 1956:

Except as disclosed elsewhere in the report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and the date of this report.

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

The particulars as required under Section 217(1)(e) of the Act read with Companies' (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding Conservation of Energy and Technology Absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review. Further there was no Foreign Exchange earnings and outgo during the Financial Year 2010-2011.

Particulars of Employees:

None of the Employees of the Company was in receipt of remuneration, which was more than the limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees)

Rules, 1975 and hence no particulars are required to be disclosed in this Report.

Directors' Responsibility Statement:

In the terms of provision of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures wherever applicable;
- b. We 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 as at 31st March, 2011, and of the Profits of the Company for the year ended on that date;
- c. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe-guarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d. We have prepared the annual accounts on a 'going concern' basis.

Auditors:

M/s Venkata Srinivas & Associates, Chartered Accountant, Auditors of the Company shall hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. However, the retiring Auditor has given a notice in writing expressing his unwillingness for reappointment. Therefore the Board of Directors recommends the appointment of M/s PVR - N & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the Conclusion of the next General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.

A declaration has also been received from M/s PVR - N & Co., Chartered Accountants, to the effect that their appointment if made, would be within the prescribed under Section 224(1-B) of the Companies Act, 1956.

Auditors' Report:

The comments made by the Statutory Auditors in the Auditors' Report together with the Notes on Accounts are self-explanatory and hence, do not require any further explanation/clarification.

Corporate Governance:

The Company is committed to adopt the best practices in Corporate Governance, which is guided by the principles of conducting the business in a responsible, transparent and ethical manner so as to protect the interest of all stakeholders. As per Clause 49 of the Listing Agreement, a separate Section on Corporate Governance forms part of the Annual Report.

A certificate from Statutory Auditors with regard to the compliance of the Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is also annexed to this Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

Change in Capital Structure:

The Authorized Share Capital of the Company was increased from Rs. 10,66,00,000/- (Rupees Ten Crores and Sixty Six Lakh only) divided into 1,06,60,000 (One Crores Six Lakh Sixty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten only) each to accommodate the Further Issue of Convertible Warrants/Resultant Equity Shares of Rs. 1,75,00,000 (One Crores and Seven Five Lakhs Only) vide Resolution passed through Postal Ballot on 29th March, 2011. As per the requirements of the SEBI (ICDR) Regulations, 2009 average of the weekly high and low of the closing prices of the related equity shares quoted on the recognised stock exchange during the six months preceding the relevant date was not available to determine the issue price. Hence, the In-principle Approval application was withdrawn for the issue of Convertible Warrants of 1,75,00,000.

Listing:

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Ltd. These shares were not traded during the year at the said Stock Exchange(s). The

Suspension in trading of Equity Shares of the Company revoked w.e.f. April 7, 2011 vide BSE Notice dated 1st April, 2011. The trading in the securities of the company was resumed in "T" group, but the same was shifted to "B" group w.e.f. 26th April, 2011 vide BSE Notice dated 8th April, 2011.

Listing of Equity Shares on BSE

The BSE granted final listing and trading approval for 6,00,000 Equity Shares issued at par bearing distinctive numbers 10050801 to 10650800 to M/s Sibar Software Services (India) Limited, for consideration other than cash on preferential basis vide Notice dated 21st June, 2011.

Re-issue of Forfeited Equity Shares:

The Board of Directors in their meeting held on 17th January, 2006, accorded their approval for forfeiture of 8,96,882 (Eight Lakhs Ninety Six Thousands Eight Hundred and Eighty Two) Equity Shares of the Company. Pursuant to Clause 23 (a) of the Listing Agreement, the approvals of Shareholders was accorded vide Postal Ballot on 29th March, 2011 for Re-issue of the said Shares to Mrs. Anita Gupta and M/s Kokila Exports Pvt. Ltd.

The allotment of share capital was not made within 15 days of passing of the said resolution and hence, the resolution lapsed. Therefore, the approval for Re-issue of Forfeited Shares, is again placed before the Members for approval.

Acknowledgement:

The Board records its appreciation for the continued support and co-operation received from all its associates, the shareholders, customers, suppliers, banks and Government Departments. The Board of Directors recognized and placed on records their gratitude and appreciation for the commitment displayed by the employees at all levels of the Company .

By Order of the Board
V & K Softech Limited

Sd/-
Prem Gupta
Chairman

Hyderabad, 11th July, 2011

Annexure to the Directors' Report

Auditors' Certificate on compliance with the conditions with the conditions of Corporate Governance under clause 49 of the Listing Agreement(s).

The Board of Directors
V & K Softech Limited
New Delhi

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, entered into by the Company with the Stock Exchange(s) in India, for the financial year ended on 31st March 2011.

The compliance of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreement.

On the basis of Certificate issued by the Registrar and Share Transfer Agent of the Company and the Minutes of Meetings of the Shareholders/ Investors Grievance Committee of the Company, we state that, there were no investor grievances pending against the Company for a period exceeding one month.

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

For Venkata Srinivas Associates
Chartered Accountants,
Firm Regn. No. 007441S

Sd/-
C. V. M. Srinivas
Prop.
M. No. 202765

Hyderabad, 28th May, 2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report

The Management of V&K presents the analysis of the Company for the year 2010-2011 and its outlook for the future. The outlook is based on the current business environment. It may vary due to future economic and other developments, both in India and across the globe.

Overview and brief Background

Indian IT industry has seen a massive expansion in the last decade. This industry signifies India's position as the knowledge-based economy with a sustainable growth rate. In an interview on CNBC-TV18, Ashwin Mehta, IT Analyst from Nomura India said that the Indian IT sector will keep marking growth and he is very positive about it.

In 2008, the industry saw growth coming down to single digits. Most IT companies stopped hiring employees and stopped expanding. Fortunately, growth is back and most companies are hiring in large numbers again.

IT industry has grown fast over the last 15 years. For example, the industry had about 1,50,000 employees in 1993, around 5,00,000 employees in 1999 and today, the industry employs around 2 million employees in 2011.

Multinational corporations are also looking to India to expand their markets and to create back office function and many of them are looking at tier 2 and tier 3 cities to expand, he said.

V & K at its best provides innovative IT solutions and complex software projects development that helps to keep it one step ahead of its competitors by continuously improving its IT-based business solutions.

Industry Structure and Developments

The IT-BPO sector has become one of the most significant growth catalysts for the Indian economy. In addition to fuelling India's economy, this industry is also positively influencing the lives of its people through an active direct and indirect contribution to the various socio-economic parameters such as employment, standard of living and diversity among others. The industry has played a significant role in transforming India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services. The industry has helped India transform from a rural and agriculture-

based economy to a knowledge based economy. The efforts of the industry towards the holistic development of the Indian economy and society will continue making a positive impact and changing lives as it has done so far. Further, the industry has acted as socially responsible corporations playing an active role in regional development across India, empowerment of diverse human assets, driving technology and innovation to transform client businesses, and enhancing the overall brand image of India.

In the future, the global IT-BPO industry is likely to go through a paradigm shift across five parameters

Markets – Growth will be driven by new markets – SMBs, Asia, public sector and government-influenced entities which will become a priority customer base.

Customers – Customers will demand 'transformative' value propositions, that go beyond lower-cost replication; as technology creates virtual supply chains, customers will require a seamless experience across time zones and geographies; increasing demand for innovation and end-to-end transformation

Service offerings – Offerings that are high-end, deeply embedded in customer value chains will emerge. Services and delivery will become location-agnostic leading to new opportunities such as design services in manufacturing, Remote Infrastructure Management (RIM), etc. Solutions for the domestic market will be a key focus area

Talent – Government pressures to create local jobs and the need for local knowledge will alter the employee mix - a higher proportion of non-Indians with multilingual and localised capabilities. There will be a much greater focus on ongoing development of specialised skills and capabilities

Business models – Driven by a focus on expertise and intellectual property, offerings will shift from piecemeal, technology-centric applications to a range of integrated solutions and higher-end services, spanning new service lines (e.g., green IT)

While developed markets constitute the largest share of IT spend, increasingly emerging markets are spearheading growth as a large consumer base becomes increasingly tech-savvy and enterprises adopt IT solutions to improve their global competitiveness. Given this scenario, the Indian supply base has begun to explore market opportunities beyond US and UK. By 2020, new segments (SMBs), new verticals (Public sector and

Defence, Healthcare, Utilities, Printing and Publishing) and new geographies (BRIC) will account for 50-55 per cent growth in the addressable market. India supply base is well placed to tap this potential, with their two decade long experience, mature service capabilities, presence in almost all verticals, global footprint and an abundant talent pool. Suitably exploiting these emerging opportunities both in the global and domestic markets can help India reach USD 130 billion in IT-BPO revenues by FY2015, a CAGR of 14 per cent. By FY2015, IT-BPO industry is expected to contribute about 7 per cent to annual GDP and create about 14.3 million employment opportunities (direct and indirect).

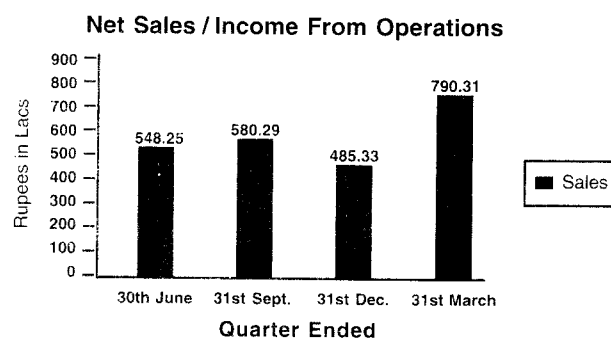
Further, the India supply base has also begun to look for expansion across various non-metros both to control costs and have access to a large talent pool. This expansion has resulted in the development of a local talent pool and the physical and social infrastructure. The industry is now moving to rural areas creating employment, improving living standards, positively impacting career and personal development, empowering women and developing a social infrastructure, thus leading to balanced regional growth. The government will be a key driver for increased adoption of IT-based products and solutions. It has embarked on various IT-enabled initiatives including in Public services (Government to citizen services, citizen identification, public distribution systems), Healthcare (telemedicine, remote consultation, mobile clinics), Education (eLearning, virtual classrooms, etc) and Financial service (mobile banking/payment gateways), etc. These initiatives are expected to substantially improve the economic conditions of a large, under-served population, thereby reducing the government's fiscal burden.

However, to realise this opportunity, all stakeholders – Industry, Government, Academia and NASSCOM – will need to jointly take decisive action to develop a high calibre talent pool, continue to harness technology for inclusive growth, foster a sustainable ecosystem for research and innovation, actively work to establish India as a trusted global hub for professional services, catalyse growth in the domestic market, and ensure adequate policy support to keep the momentum strong.

Financial Performance

"V & K is a place for people to discover what's important, make it happen, share your progress."

The Financial Statements are prepared in compliance with the requirements of the Companies Act and the



Accounting Standards prescribed by the Institute of Chartered Accountants of India and Generally Accepted Accounting Principles in India. The company has performed consistently well during the period April 2010 - March 2011. The Net sales /Income from Operations rose steadily from Rs. 23.40/- Crores to Rs. 24.06/- Crores as compared to last year. Though there is a slight increase in the operating profit as compared to the last fiscal, but the Company has sustained its operations and created a niche for itself in the market.

As there is a substantial growth in IT Sector and Software Projects development. Your Directors are hopeful that in forthcoming years, Company will definitely perform up to the mark, achieve good profitability and Earning per share will be increased. On a generic note, given the current economic and industry environment, prospects in our business segments look attractive and we look forward to 2011-12 with sustained growth and excitement.

Opportunities Lying Ahead and our Outlook

As your Company keeps on exploring various avenues, your Management proposes to have a singular avenue for payment processing system, representing the ambition to connect, with an ability to integrate and the freedom to move beyond the hassles of prior systems. They imagine a seamless payment system that allows complete freedom and guarantees a greater performance capability.

Bringing together the merchants, banks, financial institutions, corporate companies and other modes of transaction activities on a singular platform, The Company will be one stop destination for a secure network for growth oriented services. Combining state-of-the-art technology with the ambition to streamline the business processes in throughout the country.

The multi-functional feature of the payment systems will allow product manufacturers to stay linked to the traders, the banks to their customers, the government to the

various trading points, the corporate houses to their branched processes and merchants to their customers. However it is not our ability to connect trading processes that is revolutionary, it is our ability to provide you with a customized solution based on your objective and the instant software updates across all POS terminals in India that sets us apart.

It would help customers stay in control of payment processing, point of sale systems, reward and loyalty programs and all other related processes. Spread across multiple channels the proposed strategic solutions are capable of communicating across broadband, GPRS, Wi-Fi and dial-up along with supporting several third-party VAA's (Value Added Applications).

The Management has a vision:

“To structure how India pays through innovation, the power of seamless connectivity and the ability of cost-effective solutions that mutually transports business systems to incredible new horizons in performance, profit and customer satisfaction.”

Internal Control systems and their adequacy

The company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the company and ensuring compliance with corporate policies.

The company has a dedicated Internal Audit team which ensures that:

- Adequate processes, systems, internal controls are implemented and these controls are commensurate with the size and operations of the company.
- Transactions are executed in accordance with policies and authorization.
- Resources have been deployed as per the business plan, policies and authorization. Further, management has supplemented the efforts of Internal Audit team by establishing a dedicated Risk Management team.

This team is responsible for V&K's Corporate Governance program including Enterprise Risk Management Program, Assurance on continuity of Internal Control procedures and Legal compliances.

The Company has a rigorous business planning system to set targets and parameters for operations which are

reviewed with actual performance to ensure timely initiation of corrective action, if required.

The Company's Audit Committee, which is a sub-committee of the board, reviews adherence to internal control systems, internal audit reports, risk management and legal compliances. This committee reviews all quarterly and yearly results of the company and recommends the same to Board for their approval

Human Resources

A major strength for your Company has been its employees and your Company's relationship with its employees continues to be excellent. Over the years the Company has taken several initiatives to attract and retain best talent. Being in the service industry, the Company places foremost thrust on the continuous up gradation of human resource. 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. Your Company's Staff turnover is very low as compared with the industry levels. Best HR Practices and continuous work environment ensures high motivational levels of the employees.

Cautionary Forward Looking Statements

Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When words like 'anticipate', 'believe', 'estimate', 'intend', 'will', and 'expect' and other similar expressions are used in this discussion, they relate the Company or its business and are intended to identify such forward- looking statements. The Company undertakes no obligations to publicly update or revise any forward- looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Factors that could cause or contribute to such differences include those described under the heading 'Risk Factors' in the Prospectus filed with the Securities and Exchange Board of India (SEBI) as well as factors discussed elsewhere in this report. Readers are cautioned as not to place undue reliance on the forward -looking statement as they speak only as of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

CORPORATE GOVERNANCE REPORT**CORPORATE GOVERNANCE REPORT**

“Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation by focusing a balance between individual interests and corporate goals.”

1. COMPANY 'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has always been guided by a strong conviction of adhering to transparency, accountability and integrity. The Company believes that all its operations and actions must serve the underlying goals of enhancing overall enterprise value and retain shareholders trust over a sustained period of time. This belief is the foundation on which the Company builds ethical business, maintains reputation and gains investors' confidence and customer's goodwill.

2. BOARD OF DIRECTORS

- 2.1** The Board of Directors along with its Committees provides leadership and guidance to the Company's Management and directs, supervises and controls the performance of the Company. As on 31st March, 2011 the Board of Directors of the Company comprises of 4 Directors, out of which 3(75%) are Independent Directors. The composition of Board is in conformity with the provisions of Clause 49 of the Listing Agreement.
- 2.2** None of the Directors on the Company's Board is a member in more than 10 committees or acting as Chairman of more than 5 committees (Committees being Audit Committee and Shareholders/Investors' Grievance Committee) across all companies in which he is a Director. The Non-Executive Independent Directors does not have any pecuniary relation with the Company during the year under review. No Director is related to any other Director on the Board in terms of the definition "relative" given under the Companies Act, 1956.
- 2.3** The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Managing Director has submitted Certificate to the Board, attached hereto, in accordance with Clause 49 (V) of the Listing Agreement for the year ended 31st March, 2011.
- 2.4** During the year under review, 9 Board Meetings were held on 30-04-2010, 29-05-2010, 30-07-2010, 03-09-2010, 01-11-2010, 10-11-2010, 01-02-2011, 18-02-2011, and 21-03-2011. The maximum time - gap between two consecutive meetings did not exceed 4 months. The composition of the Board, attendance at Board Meetings held during the financial year under review and at the Last Annual General Meeting held on 29th September, 2010, numbers of other Directorships, Memberships/Chairmanships in public companies Company are as follows:

Name of the Director	Category	Attendance at the Last AGM	No. of Board Meetings Attended	Number of Other		
				Director-ships*	Committee Membership	Committee Chairmanship
Mr. Prem Gupta	Managing Director (Executive)	Yes	9	1	NIL	2
Mr. D. Uday Kiran	Independent Director (Non-Executive)	Yes	5	NIL	NIL	NIL
Mr. Umesh Govind Bhat	Independent Director (Non Executive)	No	5	NIL	NIL	NIL
Mr. Rajesh Kumar Gupta	Independent Director (Non Executive)	Yes	3	1	2	NIL

* Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.

2.5 The Board has complete access to all information with the Company Inter alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Materially important show cause, demand prosecution notices and penalty notices.
- Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payments towards goodwill, brand equity or intellectual property.
- Sale of material nature of investments, assets, which is not in the normal course of business.
- Non-Compliance of any regulatory statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

3. COMMITTEES OF THE BOARD:

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of committees with specific terms of reference/scope. The Committees as empowered agents of the Board as per their charter/terms of reference. Targets set by them as agreed with the management are reviewed periodically and mid – course corrections are also carried out. The minutes of the meetings of all committees of the Board are placed before the Board for discussions/ noting.

4. AUDIT COMMITTEE:

4.1 The Audit Committee functions according to its charter that defines its Composition, Authority, Responsibility and Reporting functions in accordance with the Companies Act, 1956, listing requirements as applicable to the Company and is reviewed from time to time. The brief terms of reference for the audit committee as laid down by the Board are laid as under:

- a) Overseeing the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment/re-appointment and replacement/ removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with Management, the quarterly, half yearly and annual financial statements before submission to the Board.
- d) Reviewing with the Management, performance of Statutory and Internal auditors, the adequacy of internal control system and ensuring compliance therewith.
- e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f) Discussion with internal auditors any significant findings and follow up thereon.

- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- j) To review report on Management Discussion & Analysis of Financial Condition and Results of operation, to be included in the Company's Annual Report to its Shareholders.
- 4.2 The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee Meetings.
- 4.3 The Committee comprises of 3 Directors, all of whom are financially literate and have relevant finance and/or audit exposure. Mr. Rajesh Kumar Gupta is the financial expert. The quorum of the Committee is two members or one – third of its members, whichever is higher.
- 4.4 The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company. During the period under review, the Audit Committee met 5 times. The Composition of the Audit Committee and attendance at its meetings is as follows:

Composition	Mr. Rajesh Kumar Gupta (Chairman)	Mr. D. Uday Kiran (Member)	Mr. Umesh Bhatt (Member)
Meetings Attended	5	2	3

- 4.5 The Committee meetings are held at Company's Corporate Head quarters and are usually attended by the Chief Internal Auditor and the Statutory Auditor. The Business and operations heads are invited to the meetings, as required. The Company Secretary acts as the Secretary to the Audit Committee.
- 4.6 The Committee relies on the expertise and Knowledge of Management, the Internal Auditors and the Independent Statutory Auditors in carrying out its oversight responsibilities. It also uses external expertise if required.
- 4.7 The Company's Independent Statutory Auditor, is responsible for performing an Independent Audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

5. REMUNERATION COMMITTEE:

- 5.1 The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director and the Executive Directors, approved by the Board and deal with matters relating thereto.
- 5.2 The Remuneration Committee comprises of Two Independent Directors as on 31st March, 2011. During the year under review, one Remuneration Committee meeting was held on 27th July, 2011. The Composition of the Remuneration Committee and attendance at its meeting is as follows:

Composition	Rajesh Kumar Gupta (Chairman)	Umesh Bhatt (Member)
Meetings Attended	1	1

- 5.3 The Chairman of the Remuneration Committee was present at the Last Annual General Meeting.
- 5.4 During the year 2010-2011, the Company has paid remuneration to the Managing Director.
- 5.5 The Remuneration of the Managing and Executive Directors is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis - a - vis the industry, the responsibility shouldered, performance/track record and is decided by the Board of Directors.

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

- 6.1 The Investors' Grievance Committee comprises of Mr. Umesh Bhat, Independent Director as the Chairman, Mr. R. K. Gupta and Mr. D. Uday Kiran Independent Director as members. The Investors Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share/debenture transfers, non – receipt of annual reports, issue of duplicate share certificates, transmission (with and without legal representation) of shares and debentures and other miscellaneous complaints. During the year under review, two Investors' Grievance Committee meetings were held, which were duly convened.

6.2 Compliance Officer

Mr. G. S. Monga, Company Secretary, who is the Compliance Officer of the Company can be contacted at: V & K Softech Limited, B-121, 2nd Floor Sector-2, Noida U.P.-201301 e-mail : vksoftech123@rediffmail.com. Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agents – **M/s Bigshare Services Pvt. Ltd.** at info@bigshareonline.com.

During the year all the complaints received from the shareholders, were replied / resolved promptly to the satisfaction of the shareholders. As on date, there are no complaints pending. The Secretarial Department of the Company and Registrar and Transfer Agents attends expeditiously to all grievances/correspondences of the shareholders and investors.

7. GENERAL BODY MEETINGS:

(A) Annual General Meeting

Location and time of the General Body Meetings of the Company in the past three years:

YEAR	VENUE	DATE	TIME
2007-2008	I-405, 4th Floor, Divyashakti Apartments, Ameerpet, Hyderabad-500 016	25th September, 2008	11:00 Hrs
2008-2009	I-405, 4th Floor, Divyashakti Apartments, Ameerpet, Hyderabad-500 016	30th September, 2009	16:00 Hrs
2009-2010	I-405, 4th Floor, Divyashakti Apartments, Ameerpet, Hyderabad-500 016	29th September, 2010	16:00 Hrs

The Resolutions pertaining to following matters were passed as Special Resolutions, in the previous 3 Annual General Meetings:

- Reduction of Capital
- Appointment of Mr. Prem Gupta as Managing Director

The above resolutions were passed with requisite majority. The Board recommends passing of Special Resolutions pertaining to Change in Management and Control of the Company, Appointment of Promoter Directors, Re-issue of Forfeited Shares, Change of Name of the Company and Further Issue of 3,19,50,000 Convertible Warrants/Resultant Equity Shares at the ensuing 12th Annual General Meeting.

(A) Postal Ballot

During the Financial Year 2010-11, the Company had obtained Shareholders approval by means of Postal Ballot in terms of Section 192A of the Companies Act, 1956, for the following business:

1. Re-issue of Forfeited Share Capital.
2. Further Issue of Shares u/s 81 (1A) on Preferential basis to Strategic Investors.
3. Increase in Authorized Share Capital Change of name of the Company from Rs. 10.66 Crores to Rs. 30 crores.
4. Alteration In The Articles Of Association.

Mr. Prakash Bhamidipati, Practising Company Secretary, who was appointed as the Scrutinizer, carried out the Postal Ballot process in a fair and transparent manner. The result of postal ballot process was announced on 29th March, 2011.

Voting Pattern and Procedure for Postal Ballot

The Board of Directors in its meeting held on 18th February, 2011, appointed **Mr. Prakash Bhamidipati, Practising Company Secretary**, as the Scrutinizer for conducting the postal ballot voting process.

The Company had completed the dispatch of postal ballot forms on 25th February, 2011 along with postage prepaid business reply envelopes to its Members whose name(s) appeared on the Register of Members/list of beneficiaries.

Particulars of the Postal Ballot Forms received from the Members were entered in a register separately maintained for the purpose.

The Postal Ballot Forms were kept under his safe custody before commencing the scrutiny of such Postal Ballot Forms.

All Postal Ballot Forms received/receivable up to the close of working hours on 28th March, 2011, the last date and time fixed by the Company for receipt of the forms, had been considered for their scrutiny.

Envelopes containing Postal Ballot Forms received after close of business hours had not been considered for scrutiny.

The Company had announced the following result of the Postal Ballot on 29th March, 2011, as per the Scrutinizer's Report:

S. No.	Description	(A) Total Forms Received	(B) Invalid Forms	(C) Net Valid Forms	Votes in favor of Resolution		Votes against the Resolution	
					Valid Votes in favor of Resolution	% of Total Votes	Valid Votes against Resolution	% of Total Votes
1.	Reissue of Forfeited Equity Shares	23	1	22	2177400	100 %	—	—
2.	Further Issue of Equity Shares	23	1	22	2177400	100 %	—	—
3.	Increase in Authorized Share Capital	23	1	22	2177400	100 %	—	—
4.	Alteration in the Articles of Association	23	1	22	2177400	100 %	—	—

8. DISCLOSURES

- 8.1** Besides the transactions mentioned elsewhere in the Annual Report, there were no other materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- 8.2** The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties have been imposed by them on the Company.
- 8.3** The Company has laid down procedure to inform Board Members about the risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that management controls risk through the means of properly defined framework.

9. MEANS OF COMMUNICATION

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges immediately after these were taken on record by the Board.

The quarterly/half-yearly/annual financial results are generally published in the English and Telgu Newspapers i.e. Financial Express/Financial Chronicle (English) and Prajashakthi (Telgu). The Annual Report, Quarterly Results and Shareholding Patterns of the Company are regularly filed with the Stock Exchanges in hard copies within the stipulated time.

10. GENERAL INFORMATION FOR MEMBERS:

10.1 Annual General Meeting:

Date and Time : Monday, 8th August, 2011 at 16:00 Hrs

Venue : I-405, 4th Floor, Divyashakti Apartments, Hyderabad-500016

10.2 Book Closure Period:

Thursday, 4th August, 2011 to Monday, 8th August, 2011 (both days inclusive.)

10.3 Listing Details:

The Equity Shares of the Company are listed with Bombay Stock Exchange Limited & The Calcutta Stock Exchange Association Ltd. [Scrip Code: BSE LTD -532402].

10.4 Market Price data:

The Company is revoked on 7th April, 2011 at price of Rs 28.

10.5 Registrar and Transfer Agent:

For share related matters and other matters relating to change of address, Members are requested to correspond with the Company's Registrar and Share Transfer Agents quoting their folio no. at the following address:

M/s Bigshare Services Pvt. Ltd.

Contact Person: Mr.Ashok Shetty

Address: E/2, Ansa Industrial Estate,

Sakivihar Road, Sakinaka

Andheri (East), Mumbai-400072.

Tel: 91 22 2847 0652 / 4043 0200

Fax: 91 22 2847 5207

Email: info@bigshareonline.com

Website: www.bigshareonline.com

10.6 Share Transfer System:

Securities Lodged for transfer at the Registrar's address are normally processed within 30 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days (approx.). The Company's Share being in Compulsory demat list are transferable through the depository system. However shares in the physical form are processed by the Registrar and Transfer Agent and approved by the Shareholders'/investors' grievance committee. Grievances received from investors and other miscellaneous correspondence on change of address, mandates etc. are processed with the Registrars within 30 days.

10.7 Secretarial Audit:

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, Certificates on half yearly basis have been issued by a Company Secretary in practice for due Compliance of Share Transfer formalities of the Company.

A Company Secretary in practice carried out a Secretarial Audit to reconcile the Total Admitted Capital with NSDL and CDSL and the Total Issued and Listed Capital. The Audit confirms that the Total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

10.8 Distribution of Shareholding:

Distribution of shareholding as on 31.03.2011 is given below:

Range in (Rs.)	Number of shareholders	% of total shareholders	Total Holding in Rupees	% of total capital
1 – 5000	454	41.1232	1299060.00	1.3318
5001 – 10000	265	24.0036	2503490.00	2.5667
10001 – 20000	94	8.5145	1652190.00	1.6939
20001 – 30000	47	4.2572	1272250.00	1.3043
30001 – 40000	26	2.3551	974290.00	0.9989
40001 – 50000	41	3.7138	1989810.00	2.0400
50001 – 100000	68	6.1594	5768750.00	5.9142
100001 and above	109	9.8732	82079340.00	84.1502
Total	1104	100%	97539180.00	100.00%

10.9 Shareholding Pattern of Shares as on 31st March, 2011

Category	No. of Shares	% of Shares
Promoters		
Indian	1225200	12.56
Foreign:Body Corporate	200000	2.05
Non – Promoters		
Mutual Funds	369950	3.79
Fin Inst.	240398	2.47
Corporate Bodies	2091227	21.44
Individuals	5622143	57.64
NRIs/ OCBs	5000	0.05
Total	9753918	100.00

10.10 ISIN for Dematerialization: INE718B01017**10.11 Dematerialization of Shares as on 31st March, 2011:**

The electronic holding of shares as on 31st March through NSDL and CDSL are as follows:

Particulars	NSDL		CDSL	
	2011	2010	2011	2010
Equity Shares	6016453	6042463	722654	696144

The Company has entered into an agreement with both National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL), whereby the shareholders have an option to dematerialize with either of the depositories.

10.12 Address for correspondence

V & K Softech Limited
Company secretary
Corporate Office:
B-121, 2nd Floor,
Sector-2, Noida U.P.-201301
Email:-vksoftech123@rediffmail.com

Declaration by the CEO under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with Clause 49 sub Clause I (D) of the Listing Agreement with the Stock Exchanges, I, Prem Gupta, Managing Director of the Company do hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective code of conduct, as applicable to them for the financial year ended 31st March, 2011.

By Order of the Board
V & K Softech Limited

Sd/-
Prem Gupta
Managing Director

Hyderabad, 11th July, 2011

AUDITORS' REPORT

To
**The Members of
 V & K Softech Limited
 Hyderabad**

1. We have audited the attached balance sheet of **V & K Softech Limited** as at 31st March 2011 and also the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. 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 the 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.
3. We report that:
 - a. As required by the Companies (Auditors' Report) Order, 2003, issued by the Government of India in terms of sub – Section 4A of Section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above:

- b. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- c. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.

- d. The balance sheet, profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account.
- e. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub – Section (3C) of Section 211 of the Companies act, 1956, in so far as they are applicable to the Company.
- f. On the basis of the written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of Clause (g) of sub Section (1) of Section 274 of the Companies Act 1956.
- g. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give in conjunction with the Schedules annexed therewith, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 1. In the case of balance sheet, of the state of affairs of the companies as at 31st March 2011.
 2. In the case of the profit and loss account of the profit for the period ended on that date.
 3. In the case of the cash flow statement of the cash flows for the year ended on that date.

**For Venkata Srinivas Associates
 Chartered Accountants,
 Firm Regn. No. 007441S**

**Sd/-
 C. V. M. Srinivas
 Prop.
 M. No. 202765**

Hyderabad, 28th May, 2011

ANNEXURE TO THE AUDITORS' REPORT

(V & K Softech Limited)

[Referred to in paragraph 3 (a) thereof]

1.
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) As explained to us, the management has physically verified the fixed assets during the year and there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed.
 - c) The Company has not disposed off any part of its Fixed Assets during the year.
2. The Company is engaged in the business of Business Process Outsourcing (BPO) and development of Software Products. According to the information and explanations given to us by the management the Company does not hold any inventory and hence in our opinion paragraph 2 of the order is not applicable.
3.
 - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956.
 - b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services.
5. In our opinion and according to the information and explanations given to us there are no contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to information and explanations given to us, the Company has not accepted deposits from public.
7. The Company is having internal audit system.
8. To the best of our knowledge and belief the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9.
 - a) According to the information and explanations given to us the particulars of undisputed statutory dues of provident fund, employees state insurance and income tax were in arrears as at 31st March 2011 for a period of more than six months from the date they became payable and which have not been deposited are for Rs. 2,87,194/-, the amount relates to Previous year 2009-10, No dues for the current year is pending.
 - b) The Company does not have any disputed dues of sales tax / income tax / customs / wealth tax / excise duty /cess etc. which have not been deposited except the Income Tax Demand of Rs. 23, 10, 837/- for the assessment year 2005 – 2006 against which the Company has filed an appeal with ITAT, although the Income Tax Department has set off this liability against the Income tax Refund due for the A.Y.2010-2011. Therefore, the matter would be finalized on the order of ITAT.
10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year and the immediately preceding financial year.
11. According to the information and explanations given to us the Company has no dues to any financial institutions, bank or to debenture holders during the year.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or nidhi / mutual benefit fund / society and therefore the provisions of special statute under paragraph (13) of the order are not applicable to the Company.

14. In our opinion and the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us the Company has not given the guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanation given to us the Company has not raised any term loans.
17. Based on information and explanations given to us and on an overall examination of the balance sheet of the Company in our opinion there are no funds raised on a short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. According to the information and explanations given to us the Company has not issued any debentures during the year under consideration.
20. According to the information and explanations given to us the Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, during the year no material fraud on or by the Company has been noticed or reported.

**For Venkata Srinivas Associates
Chartered Accountants,
Firm Regn. No. 007441S**

**Sd/-
C. V. M. Srinivas
Prop.
M. No. 202765**

Hyderabad, 28th May, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	SCHEDULES	AS AT 31/03/2011	AS AT 31/03/2010
I. SOURCES OF FUNDS:			
1. Shareholders Funds			
Equity Share Capital	1	97,539,180.00	97,539,180.00
Reserves & Surplus	2	16,489,777.00	11,873,857.12
2. Deferred Tax Liability		784,396.00	1,262,391.00
		114,813,353.00	110,675,428.12
II. APPLICATION OF FUNDS:			
1. Fixed Assets			
Gross Block	3	43,855,968.00	43,855,968.00
Less :- Depreciation		39,694,687.00	37,175,045.08
Net Block		4,161,281.00	6,680,922.92
2. Investments	4	100,635,000.00	71,970,000.00
3. (A) Current Assets, Loans & Advances			
(i) Sundry Debtors		915,267,006.00	812,814,200.25
(ii) Cash & Bank Balances		4,886,277.00	82,579.88
(iii) Loans & Advances		147,676,357.00	81,998,503.19
		1,067,829,640.00	894,895,283.32
(B) Current Liabilities & Provisions	6	1,057,812,568.00	862,870,778.12
Net Current Assets (A) – (B)		10,017,072.00	32,024,505.20
		114,813,353.00	110,675,428.12
NOTES ON ACCOUNTS	10		

The Schedules, Accounting Policies and Notes on Accounts from an integral part of the Balance Sheet.

As per our report of even date

For Venkata Srinivas & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
C.V.M. Srinivas
Prop.

Sd/-
Prem Gupta
Managing Director

Sd/-
Umesh Bhatt
Director

Sd/-
G. S. Monga
Company Secretary

Hyderabad, 28th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULES	YEAR ENDED 31/03/2011 Rs.	YEAR ENDED 31/03/2010 Rs.
1. INCOME			
Income From Operation		240,677,356.00	234,018,856.92
Other income		219,530.00	155,800.17
Total		240,896,886.00	234,174657.09
2. EXPENDITURE			
Cost of Services	7	223,423,962.00	214,516,496.00
Administrative & other Expenditure	8	8,265,788.00	9,083,450.00
Financial Expenses	9	7,437.00	1,865.44
Depreciation		2,519,642.00	5,483,870.00
Total		234,216,829.00	229,085,681.44
3. Profit Before Tax		6,680,057.00	5,088,975.65
4. Less: Provision for Tax Deferred Tax Liability		2,542,132.00 (477,995.00)	2,238,084.00 (904,209.00)
5. Profit & Loss after Tax		4,615,920.00	3,755,100.65

NOTES OF ACCOUNTS 10

The Schedules, Accounting Policies and Notes on Accounts from an integral part of the Balance Sheet.

As per our report of even date

For Venkata Srinivas & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
C.V.M. Srinivas
Prop.

Sd/-
Prem Gupta
Managing Director

Sd/-
Umesh Bhatt
Director

Sd/-
G. S. Monga
Company Secretary

Hyderabad, 28th May, 2011

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
3,00,00,000 Equity Share of Rs 10/- each (106,060,000 Equity Shares of Rs. 10/-each in previous year)	<u>300,000,000.00</u>	<u>106,600,000.00</u>
Issued Share Capital		
106,50,800 Equity shares or Rs 10/- each	<u>106,508,000.00</u>	<u>106,508,000.00</u>
Subscribed and Paid up capital		
9753918 Equity Shares of Rs 10/- each	<u>97,539,180.00</u>	<u>97,539,180.00</u>
SCHEDULE - 2		
RESERVE & SURPLUS		
Profit & Loss after Tax	4,615,920.00	3,755,100.65
Add: balance b/f	11,873,857.00	8,118,756.47
	<u>16,489,777.00</u>	<u>11,873,857.12</u>

SCHEDULE - 3
FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2010	Addition	(Deletion)	Up to 31.03.2011	Up to 31.03.2010	During the year	Adjust- ments	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
Computer Hardware	25,359,374.00	—	—	25,359,374.00	22,374,778.72	1,049,838.12	—	23,784,616.84	1,574,757.16	2,624,595.28
Computer Software	15,279,905.00	—	—	15,279,905.00	12,305,979.20	1,189,570.32	—	13,495,549.52	1,784,355.48	2,973,925.80
Vehicles	3,216,689.00	—	—	3,216,689.00	2,134,287.16	280,233.84	—	2,414,521.00	802,168.00	1,082,401.84
Total	43,855,968.00	—	—	43,855,968.00	37,175,045.08	2,519,642.28	—	39,694,687.36	4,161,280.64	6,680,922.92

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE – 4		
INVESTMENTS		
Investment	48,930,000.00	44,930,000.00
Share Application Money	51,705,000.00	27,040,000.00
	100,635,000.00	71,970,000.00
SCHEDULE- 5		
CURRENT ASSETS LOANS & ADVANCES		
(I) Sundry Debtors		
(a) Debts outstanding for the period exceeding six months	606,358,368.00	730,151,188.15
(b) Others Debtors	308,908,638.00	82,663,012.10
Sub Total (I)	915,267,006.00	812,814,200.25
(II) Cash & Bank Balances		
Cash in Hand	283,227.00	58,861.49
Balance in Current account with Schedule Banks	4,603,050.00	23718.39
Sub Total (II)	4,886,277.00	82,579.88
(III) Loans & Advances		
Advances recoverable in cash or kind for value to be received		
Advances	141,406,710.00	76,575,650.00
TDS Receivable	6,269,647.00	5,422,853.19
Sub Total (III)	147,676,357.00	81,998,503.19
Grand Total: (I)+(II)+(III)	1,067,829,640.00	894,895,283.32
SCHEDULE - 6		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	1,041,380,404.00	835,529,385.40
Audit Fee Payable	25,000.00	22,500.00
Balance of Schedule Commercial Bank	—	1,154,487.56
TDS Payable	—	144,012.00
Outstanding Exp.	5,215,032.00	21,182,309.16
Provision For Tax	2,542,132.00	2,238,084.00
Advances for Re-issue of Forfeited Shares	—	2,600,000.00
Share Application Money	8,650,000	—
	1,057,812,568.00	862,870,778.12

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

PARTICULARS	AS AT 31/03/2011	AS AT 31/03/2010
SCHEDULE - 7		
<u>COST OF SERVICES</u>		
Salaries to Staff	8,794,236.00	10,344,716.00
Software – Purchase & Development	214,629,726.00	204,171,780.00
	223,423,962.00	214,516,496.00
SCHEDULE - 8		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
Electricity Charges & Maintenance	1,262,350.00	1,245,414.00
Internal Audit Fee	20,000.00	18,000.00
Printing & Stationary	209,032.00	146,776.00
Postage & Courier	232,665.00	195,243.00
Equipment & System Maintenance	288,131.00	426,822.00
Custodian Fee	49,635.00	49,635.00
Office Maintenance & Miscellaneous Exp.	1,224,886.00	2,621,880.00
Professional charges	615,706.00	352,000.00
Recruitment & Training	731,942.00	799,076.00
Register & Share Transfer Expenses	32,165.00	45,006.00
Fee & Subscription	625.00	1,500.00
Rent	100,000.00	—
Security Services	226,560.00	216,744.00
Staff Welfare	1,184,300.00	1,401,299.00
Subscriptions	—	13,212.00
Repairs & Maintenance	173,946.00	143,963.00
Telephone, Fax Charges & Internal Charges	201,052.00	126,364.00
Travelling & Conveyance expenses	1,089,921.00	846,956.00
Vehicle Maintenance	289,254.00	242,087.00
Audit Fee	25,000.00	25,000.00
AGM Exepenses	16,250.00	13,400.00
Listing Fee	71,695.00	18,170.00
MD Remuneration	200,000.00	—
General Expenses	20,673.00	134,903.00
	8,265,788.00	9,083,450.00
SCHEDULE - 9		
<u>FINANCIAL EXPENSES</u>		
Bank Charges	7,437.00	1865.44
	7,437.00	1865.44

As per our report of even date

For Venkata Srinivas & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
C.V.M. Srinivas
Prop.

Sd/-
Prem Gupta
Managing Director

Sd/-
Umesh Bhatt
Director

Sd/-
G. S. Monga
Company Secretary

Hyderabad, 28th May, 2011

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**SCHEDULE - 10****NOTES ON ACCOUNTS****a. Significant Accounting Policies**

1. The financial statements have been prepared under the historical cost convention on accrual basis and comply with the generally accepted accounting policies.
2. Fixed assets are stated at cost of acquisition less accumulated depreciation. Depreciation is provided on written down value method in accordance with the rates prescribed under Schedule XIV to the Companies Act, 1956.
3. Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any.
4. The Company derives its income from BPO Services, Software Services and Software Products. Income is recognized on the date on which the invoice for services is raised on the customers. All incomes and expenditures are accounted for on accrual basis and provision is made for all known losses and liabilities.
5. Provision for current tax for the year is based on computations after considering rebates, relief and exemptions under the Income Tax Act, 1961.
6. Earnings in foreign exchange – Nil. Foreign exchange outgoing – Nil.
7. Contributions payable to recognized provident fund and employees state insurance have been charged to profit and loss account. Provision for gratuity, retirement benefits, leave encashment etc. have not been made in the accounts.

b. Notes On Accounts

1. The Company is engaged in the business of providing BPO services, Software Services and Development of Software Products. Such services are not capable of being expressed in any generic unit. Hence the quantitative details as required under the Companies Act 1956 have not been furnished.
2. Contingent liabilities: Income Tax demand for Rs. 23,10,837 /- for the Assessment Year 2005 – 2006. The Company has filed an appeal with the ITAT against the orders of CIT (Appeal). The Income Tax department has set off this liability against the refund due for the A.Y. 2010-2011, however, order of ITAT is pending.
3. Auditors remuneration for the year: Rs. 25,000/- (Previous year: Rs 25,000/-).
4. Previous years figures have been regrouped and rearranged wherever necessary. Current year figures have been rounded off in multiple of rupee.
5. In the opinion of the Management all the current assets including loans and advances would in the normal course of business be realized at the value stated.
6. Sundry Debtors, Creditors and Loans and advances are subject to confirmation and consequential adjustment, if any.
7. A sum of Rs. 21,46,29,726/- has been charged to Profit and Loss account as revenue expenditure the components of which are as under :

Expenditure on account of	Amount Expended (in Rs.)
Software Development and Purchase Exp.	11,14,14,290.00
Project Site survey expenses	4,76,04,873.00
Data Collection Charges	5,56,10,563.00
Total	21,46,29,726.00

8. The company's operations in Kolkata, were discontinued in the current year.

As per our report of even date

For Venkata Srinivas & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
C.V.M. Srinivas
Prop.

Sd/-
Prem Gupta
Managing Director

Sd/-
Umesh Bhatt
Director

Sd/-
G. S. Monga
Company Secretary

Hyderabad, 28th May, 2011

CASH FLOW STATEMENT AS AT 31ST MARCH, 2011

Particulars		Amount (Rs.)	Amount (Rs.)
Cash Flows from operating activities			
Net Profit before Taxation			6,680,057.00
Adjustment for :			
Depreciation	(+)	2,519,642.00	
Interest	(-)	206,952.00	
Operating profit before working capital changes			
Add:			
Increase in Current Liabilities	(+)	194,941,790.00	
Increase in Sundry Debtors	(-)	102,452,806.00	
Increase in Loans & Advances	(-)	65,677,854.00	26,811,130.00
Cash Generated from operations			
Less : Income Tax & FBT paid	(-)	2,542,132.00	
Deferred Tax Liability	(+)	477,995.00	(2,064,137.00)
Net Cash Generated from operations			<u>33,739,740.00</u>
Cash Flow from Investing Activities			
Investment Introduced	(-)	28,665,000.00	
Net cash used in Investing Activities			<u>(28,665,000.00)</u>
Cash Flow from Financing Activities			
Decrease in Deferred Tax Liability	(-)	477,995.00	
Interest	(+)	206,952.00	
Net cash generated in Financing Activities			<u>(271,043.00)</u>
Net increase in cash/cash equivalent during the year			<u>4,803,697.00</u>
Cash and Cash equivalent at beginning	(+)		<u>82,580.00</u>
Cash and Cash equivalent at the end			<u>4,886,277.00</u>
Breakup of Cash & Cash Equivalent as at 31st March 2011			
Cash in Hand			283,277.00
Cash at Bank			4,603,050.00
			<u>4,886,277.00</u>

For Venkata Srinivas & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
C.V.M. Srinivas
Prop.

Sd/-
Prem Gupta
Managing Director

Sd/-
Umesh Bhatt
Director

Sd/-
G. S. Monga
Company Secretary

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of M/s. V & K Softech Limited for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Accounting Standards-3 "Cash Flow Statements" and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 28th May, 2011.

For Venkata Srinivas & Associates
Chartered Accountants

Sd/-
(C.V.M. Srinivas)
Prop.
M. No. 202765

Hyderabad, 28th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

REGISTRATION NO.	:	32129
STATE CODE	:	01
BALANCE SHEET DATE	:	31-03-2011

II. Capital Raised during the Year (Amount in Rs.)

PUBLIC ISSUE	:	— NIL —	RIGHT ISSUE	:	— NIL —
BONUS ISSUE	:	— NIL —	PRIVATE PLACEMENT	:	— NIL —

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.)

TOTAL LIABILITIES	:	114813353.00	TOTAL ASSETS	:	114813353.00
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Sources of Funds

PAID-UP CAPITAL	:	97539180.00	RESERVES AND SURPLUS	:	16489777.00
SECURED LOANS	:	— NIL —	UNSECURED LOANS	:	— NIL —
DEFERRED TAX LIAB.	:	784396.00	(INCLUDING S.A.M.)		

Application of Funds

NET FIXED ASSETS	:	4161281.00	INVESTMENTS	:	100635000.00
NET CURRENT ASSETS	:	100170172.00	MISC. EXPENDITURE	:	— NIL —
ACCUMULATED LOSSES	:	— NIL —			

IV. Performance of Company (Amount in Rs.)

TURNOVER	:	240896886.00	TOTAL EXPENDITURE	:	234216829.00
PROFIT/(LOSS) BEFORE TAX	:	6680057.00	PROFIT/(LOSS) AFTER TAX	:	4137925.00
EARNING PER SHARE IN Rs.	:	0.42	DIVIDEND	:	— NIL —

V. Generic Names of three Principal Products/Services of Company

ITEM CODE NO. (ITC CODE)	:	— NIL —
PRODUCT DESCRIPTION	:	Software Development
ITEM CODE NO. (ITC CODE)	:	— NIL —

For and on behalf of the Board of Directors

Sd/-
Prem Gupta
Managing Director

Sd/-
Umesh Bhatt
Director

Sd/-
G. S. Monga
Company Secretary

Hyderabad, 28th May, 2011

V & K SOFTECH LIMITED

I-405, 4th Floor Divyashakti Apartments, Ameerpet, Hyderabad-500016

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the hall.

Only members or their proxies are entitled to be present at the meeting.

NAME & ADDRESS :	FOLIO/DPID NO :
	NO. OF SHARES :

I hereby record my presence at the 12th Annual General Meeting of the Company at Registered office on Monday, the 8th August, 2011 at 16:00 Hrs.

SIGNATURE OF THE SHAREHOLDER / PROXY.....

Note : Members are requested to carry the copy of the Annual Report.

V & K SOFTECH LIMITED

I-405, 4th Floor Divyashakti Apartments, Ameerpet, Hyderabad-500016

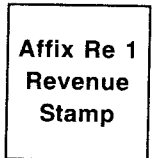
PROXY FORM

FOLIO/DPID NO. :

We.....being a Member / Members of V & K Softech Limited hereby appoint..... of.....or failing him.....him.....of..... as my/our proxy to attend and vote for me/us and on my/our behalf at Registered Office on Monday, the 8th day of August, 2011 at 16:00 Hrs.

Dated this.....day of.....2011.

Signed by the said.....



NOTE : The proxy form duly signed by the Member(s) across Re. 1/- revenue stamp should reach the Company's share department at Registered Office of the Company atleast 48 hours before the time fixed for the Meeting.

BOOK - POST

If undelivered please return to :
V & K SOFTECH LIMITED
I-405, 4th Floor Divyashakti
Ameerpet, Hyderabad