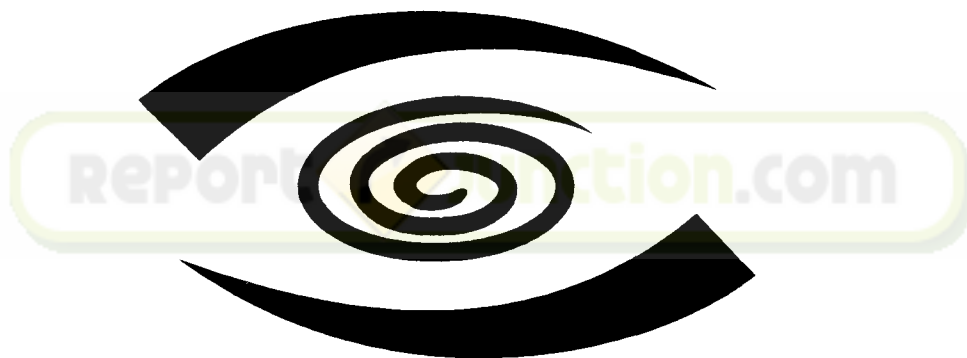


7th Annual Report 2005-2006



V & K Softech Limited

Regd. Office :

1-405, 4th Floor, Divyashakti Apartments, Ameerpet,
Hyderabad- 500 016

COMPANY INFORMATION**BOARD OF DIRECTORS**

D. UDAY KIRAN	-	Managing Director
PREM GUPTA	-	Director
P.V. SHYAM PRASAD	-	Director
RAJESH KUMAR GUPTA	-	Additional Director
UMESH GOVIND BHAT	-	Additional Director

COMPANY SECRETARY

Vishal Goel

AUDITORS

Ajay Mehray & co.,
Chartered Accountant,
B-1/4A First Floor,
Rajouri Garden,
New Delhi-110027

BANKERS

Global Trust Bank, Hyderabad
ICICI Bank, Hyderabad
Lord Krishna Bank, New Delhi

**REGISTRAR AND SHARE
TRANSFER AGENT**

Bigshare Services Pvt. Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (East) MUMBAI – 400 072.

LISTING

The Stock Exchange, Mumbai
The Calcutta Stock Exchange Association Ltd
Kolkata
The Hyderabad Stock Exchange Limited,
Hyderabad,

ANNUAL GENERAL MEETING

Date : 15th June, 2006
Time : 11.00 A.M.
Day : Thursday
Venue : Hyderabad Jym Khana
Road No.-2, Banjara Hills,
Hyderabad- 500 034

REGISTERED OFFICE

1-405, 4th Floor,
Divyashakti Apartments,
Ameerpet,
Hyderabad- 500 016

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SHAREHOLDERS' INFORMATION

REGISTERED OFFICE

1-405, 4th Floor,
Divyashakti Apartments,
Ameerpet, Hyderabad- 500 016

ANNUAL GERNAL MEETING

7th Annual General Meeting will be held on 15th June 2006

VENUE

Hyderabad Jym Khana
Road No.-2, Banjara Hills
Hyderabad- 500 034

AGENDA

Adoption of Accounts for 2005-2006
Appointment of Directors
Appointment of Auditors and fix their remuneration
Confirmation of Additional Directors as Directors to be retired by rotation
Change of Object Clause

BOOKS CLOSURE

The register of Members and Share Transfer Registers
will remain closed from 13-06-2006 to 15-06-2006 (both days inclusive)

TRANSFER WINDOW

Bigshare Services (P) Ltd.
E/2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (East), MUMBAI-400072

SHARE LISTING

The Hyderabad Stock Exchange Ltd., Hyderabad
The Stock Exchange of, Mumbai
The Calcutta Stock Exchange Association Ltd. Kolkata

V & K SOFTECH LTD

1-405, 4th Floor, Divyashakti Apartments, Ameerpet, Hyderabad -500016

Ph. : 040-23756540

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the members of V & K Softech Ltd. will be held on Thursday the 15th day of June, 2006 at 11.00 A.M. at Hyderabad Jym Khana, Road No.-2, Banjara Hills, Hyderabad- 500 034, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider approve and adopt the Audited Balance Sheet of the Company as at 31st March, 2006 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. P.V. Shyam Prasad, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Prem Gupta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the statutory Auditors of the company to hold office from the conclusion of this meeting untill the conclusion of the next Annual General Meeting and authorise the Board to fix their remuneration.
M/S Ajay Mehray & Co. Chartered Accountants being eligible offer themselves for reappointment

SPECIAL BUSINESS:

5. 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 the Companies Act, 1956, the Articles of Association of the Company and other applicable provisions, if any, Mr. Rajesh Kumar Gupta who was appointed as an additional Director of the Company under Section 260 of the Companies Act, 1956 and who hold the office up to the date of this Annual General Meeting be and is hereby appointed as director of the Company who shall be liable to retire by rotation.

6. 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 the Companies Act, 1956, the Articles of Association of the Company and other applicable provisions, if any, Mr. Umesh Govind Bhat who was appointed as an additional Director of the Company under Section 260 of the Companies Act, 1956 and who hold the office up to the date of this Annual General Meeting be and is hereby appointed as director of the Company who shall be liable to retire by rotation.

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

“**RESOLVED** that pursuant to provisions of Section 17 of the Companies Act, 1956, and other applicable provisions, if any and subject to the approval of the Registrar of Companies and such authorities, as may be required, following point 4) and 5) be and are hereby inserted after the point 3) in part A of clause III of the Memorandum of Association of Company containing the “Main Objects” :

- 4) To carry on and otherwise engage in all types of biotechnology business, to conduct research and development in the field of biotechnology, bio-fuel and bio-diesel and for this purpose plant, grow, cultivate, maintain, take on lease or otherwise engage plantation, oil extraction and other activities relating to production and manufacturing of bio diesel.
- 5) To explore, acquire, take on lease or on royalty basis, mines and qurraies and produce or deal in coal, coaltar products and other material extracted from mines. To generate, manufacture, distribute and set up power projects, wind power projects based on wind, hydro, coal and Gas etc.

By Order of the Board

DATE: 05.05.2006

PLACE: Hyderabad

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(Vishal Goel)
Company Secretary

Notes:

- A. Appointment of Proxy: 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. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. Corporate Members: Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. The Register of Members will remain closed from 13-06-2006 to 15-06-2006 (both days inclusive). The Share Transfer Books of the Company will remain closed for the aforesaid purpose.
- D. Queries at the AGM: 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 AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. Members are requested to notify any change in their address/ mandate/ bank details immediately to the Company at its Registered Office.
- F. Inspection of Documents: Copies of Memorandum and Articles of Association of the Company shall be open for inspection at the registered office of the Company at all working days between 11 A.M. to 2 P.M. up to the date of Annual General Meeting.
- G. Explanatory Statement: Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business is enclosed herewith.
- H. The postal Ballot form is herewith attached. You are required to kindly accord your assent or dissent to the aforesaid item No. 8 in the postal ballot form.. Your assent must be recorded in the Box "For" and dissent in the box " Against" by way of placing tick (-/).
- I. After recording your vote, please sign the postal ballot form and forward it to the Scrutinizer in the enclosed prepaid self-addressed envelop within 30 days from 30.04.2006. The postage will be borne by the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF
THE COMPANIES ACT, 1956**

Item No. 5

Mr. Rajesh Kumar Gupta having wide industrial experience was appointed as Additional Director of the Company at the meeting of Board of Directors held on 17th January, 2006. Now, he is proposed to be regularized as rotational Director in this AGM. Your Directors recommend this resolution in the interest of the Company and place the same before members for their approval

None of the Directors except Mr. Rajesh Kumar Gupta is interested or concerned in the proposed Resolution.

Item No. 6

Mr. Umesh Govind Bhat is a dynamic and experienced person. He was appointed as Additional Director of the Company at the meeting of Board of Directors held on 24th October, 2005. Now, he is proposed to be regularized as rotational Director in this AGM. Your Directors recommend this resolution in the interest of the Company and place the same before members for their approval

None of the Directors except Mr. Umesh Govind Bhat is interested or concerned in the proposed Resolution.

Item No.7

The Company was incorporated on 20.07.99 to carry on the business of Software development, consultancy in Hardware etc. Now the company is proposing to diversify in to biotechnology field by taking up plantation of Jatropha trees, which are used in manufacturing of bio—diesel and other related activities. Keeping in mind the growing competition, Company is also diversifying in the field of power generation which has a unlimited demand. Since these activities are not specifically covered in the present object clause of the Memorandum of Association of the Company, the enabling clause to this effect is proposed to be added. In accordance with the provisions of the Companies Act, 1956, approval of the members of the Company through a Special Resolution is required for this purpose. Your Directors recommend the resolution for their approval.

In terms of section 192A read with Companies (Passing of Resolutions by Postal Ballot) Rules 2001, the resolution is being circulated for passing by Postal Ballot. Members are requested to exercise their vote.

None of the Directors of the Company is concerned or interested in the proposed resolution.

Date-05-05-2006
Place : Hyderabad

For & on Behalf of Board
(Vishal Goel)
Company Secretary

V & K SOFTECH LTD

1-405, 4th Floor, Divyashakti Apartments, Ameerpet, Hyderabad -500016

Ph. : 040-23756540

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Seventh Annual Report of your Company together with the Audited Results for the year ended March 31st, 2006. The highlights of the financial results are as follows:-

(Rs. In Lakhs)

PARTICULARS	YEAR ENDED 31-03-2006	YEAR ENDED 31-03-2005
REVENUE	777.85	116.75
EXPENDITURES	754.61	133.45
PROFIT/ (LOSS) BEFORE TAX	23.24	1.88
PROVISION FOR TAX	8.15	0.15
NET PROFIT/LOSS AFTER TAXATION	15.09	1.73
EQUITY SHARE CAPITAL (RS.10 EACH)	975.39	102.02
CAPITAL RESERVE	44.83	-
EARNING PER SHARE	0.15	0.016
AGGREGATE OF NON PROMOTER SHAREHOLDING		
(A) NO. OF SHARES	8328718	7875705
(B)PERCENTAGE	85.39	73.81

OPERATIONS OF THE COMPANY

The Company has earned substantial Profit of Rs. 15.09 Lacs as compare to Rs. 1.73 Lacs in previous year. Your Directors are hopeful that in forthcoming years Company will definitely perform upto the mark and earning per share will be increased.

DIVIDEND

The Directors did not recommend any dividend as profits of the Company have been ploughed back due to various expansion proposals in hand.

DIRECTOR

In accordance with the provision of Companies Act, 1956 and Articles of Association of the Company, Mr. P.V. Shyam Prasad and Mr. Prem Gupta are the Directors who retire by rotation and being eligible offer themselves for re-appointment. Mr. Rajesh Kumar Gupta and Umesh Govind Bhat who were appointed as an additional directors on 17.01.2006 & 24.10.2005 respectively are proposed to be regularized as rotational Directors in this Annual General Meeting.

AUDITORS

M/s Ajay Mehra & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting. Your directors propose to recommend the appointment of M/S Ajay Mehra & Co. as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors responsibility Statement, it is hereby confirmed:

- I. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- II. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2006 and of profits for the year ended on March 31, 2006.
- III. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- III. That the Directors had prepared the annual accounts for the year ended March 31, 2006 on a going concern basis.

FIXED DEPOSITS

During the year under review, your Company did not accept any deposits from the public in terms of Section 58A of the Companies Act, 1956.

BUY BACK OF SHARES

The information required under section 217(2B) is not applicable.

FORFEITURE OF SHARES

During the Financial year under review Company has forfeited 896882 shares vide Board resolution dated 17-01-2006 due to non payment of call money inspite of various notices issued by the Company.

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees were in receipt of remuneration as prescribed U/S 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and hence no particulars are required to be disclosed in this report.

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

The issues relating to conservation of energy and technology absorption are not quite relevant to the business activities of the company.

The Company is keen to imbibe the new technologies and innovations in the IT sector and following recent trends in the Industry.

Foreign exchange earning during the year is	US\$ 5,99,971
and out go during the year is	NIL

ACKNOWLEDGEMENT

The Board wishes to thank the Govt., Stock Exchanges, Share Holders, Bankers and its valued business associates for the continuous support and co-operation extended by them and also record its appreciation of the valuable contribution made by the employees at all levels towards the growth of the Company.

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BY ORDER OF THE BOARD

DATE : 05.05.2006
PLACE : HYDERABAD

CHAIRMAN