

8th Annual Report 2006-2007



V & K Softech Limited

Regd. Office :

303, Durga Apartment, Road No. 10, Raj Bhawan Road,
Somajiguda, Hyderabad - 500082

COMPANY INFORMATION**BOARD OF DIRECTORS**

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

COMPANY SECRETARY

S. B. Garg

AUDITORS

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

BANKERS

Lord Krishna Bank, New Delhi
IDBI, 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

Bombay Stock Exchange Ltd.
The Calcutta Stock Exchange Association Ltd
Kolkata
The Hyderabad Stock Exchange Limited,
Hyderabad,

ANNUAL GENERAL MEETING

Date : 24th September, 2007
Time : 11.00 A.M.
Day : Monday
Venue : Chiran Fort Club (A Division of Bhagya
Nagar Hotels Pvt. Ltd.), Opp. Police Line
HUDA Lane, Begumpet,
Secunderabad-500003

REGISTERED OFFICE

303, Durga Apartment,
Road No. 10, Raj Bhawan Road,
Somajiguda, Hyderabad - 500082

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SHAREHOLDERS' INFORMATION

REGISTERED OFFICE

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Road No. 10, Raj Bhawan Road,
Somajiguda, Hyderabad - 500082

ANNUAL GENERAL MEETING

8th Annual General Meeting will be held on 24th September 2007

VENUE

Chiran Fort Club (A Division of Bhagya
Nagar Hotels Pvt. Ltd.), Opp. Police Line
HUDA Lane, Begumpet, Secunderabad-500003

AGENDA

Adoption of Accounts for the Year 2006-2007
Appointment of Directors
Appointment of Auditors and to fix their remuneration
Reduction of Share Capital

BOOKS CLOSURE

The Register of Members and Share Transfer Registers
will remain closed from 21-09-2007 to 24-09-2007 (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.,
Bombay Stock Exchange Ltd.
The Calcutta Stock Exchange Association Ltd.

V & K SOFTECH LTD

303, Durga Apartment, Road No. 10, Raj Bhawan Road, Somajiguda, Hyderabad - 500082

NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the members of V & K Softech Ltd. will be held on Monday the 24th September, 2007 at 11.00 A.M. at Chiran Fort Club (A Division of Bhagya Nagar Hotels Pvt. Ltd.), Opp. Police Line HUDA Lane, Begumpet, Secunderabad-500003 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, 2007 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. R.K. Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Umesh Govind Bhat who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special Business :

5. To Consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Special resolution:

"RESOLVED THAT pursuant to the provisions of section 100 to 104 of the companies Act, 1956 and subject to the approval of the share holders at the General Meeting of the company and further subject to the confirmation of the Andhra Pradesh High Court at Hyderabad and approval of the stock exchanges and other appropriate authorities, if any required, the Equity Share Capital / number of shares of company be and is hereby reduced from Rs. 97539180/- i.e. 9753918 Equity Shares of Rs. 10/- to Rs. 91539180/- i.e. 9153918 Equity Shares of Rs. 10/- each fully paid up".

"RESOLVED FURTHER that Board of Directors / Company be and is hereby authorized to do all such acts, things including issue a Power or Attorney in favour of advocates, professionals, if required to obtain the necessary approvals to give affect to the above said resolution."

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

CERTIFIED TRUE COPY

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 Friday, 21st September, 2007 to Monday, 24th September, 2007. The 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. and 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.

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

Item No. 5

The Company was incorporated on 20-07-1999 to carry on the business of software development, consultancy in hardware etc. Presently the Company is listed at Hyderabad, Calcutta & Bombay Stock Exchanges.

The Company had allotted 6,00,000 shares under swap on 28-02-2001 for which In Principal Approval from Stock Exchange is still pending.

The Trading in the equity of the company is under suspension since January, 2003 at Bombay Stock Exchange & is not being revoked due to non-granting of In Principal approval by the Stock Exchange. Considering the Larger interest of the share holders the Board has decided to reduce the Equity Capital to the extent of 6,00,000 Equity Share of Rs. 10/- each were issued / allotted under swap.

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 recommended the resolution for approval of shareholders.

Place : Hyderabad
Dated : 27.08.2007

For & on Behalf of the Board

Company Secretary

V & K SOFTECH LTD

303, Durga Apartment, Road No. 10, Raj Bhawan Road,
Somajiguda, Hyderabad -500082

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Eighth Annual Report of your Company together with the Audited Results for the year ended March 31st, 2007. The highlights of the financial results are as follows:-

(Rs. In Lakhs)

PARTICULARS	YEAR ENDED 31-03-2007	YEAR ENDED 31-03-2006
REVENUE	3038.10	777.85
EXPENDITURES	2894.67	754.61
PROFIT/ (LOSS) BEFORE TAX	143.43	23.24
PROVISION FOR TAX	48.30	8.15
NET PROFIT/LOSS AFTER TAXATION	95.13	15.09
EQUITY SHARE CAPITAL (RS.10 EACH)	975.39	975.39
RESERVE & SURPLUS	5.46	-89.68
EARNING PER SHARE	0.98	0.15
AGGREGATE OF NON PROMOTER SHAREHOLDING		
(A) NO. OF SHARES	8328718	8328718
(B) PERCENTAGE	85.38	85.38

OPERATIONS OF THE COMPANY

The Company has earned substantial Profit of Rs.95.13 Lacs as compared to Rs. 15.09 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 for expansion activities.

DIRECTORS

In accordance with the provision of Companies Act, 1956 and Articles of Association of the company, Mr. R.K. Gupta and Mr. Umesh Govind Bhat are the directors who retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s Ajay Mehray & 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 Mehray & 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 Director's 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, 2007 and of the profit of the company for the year ended March 31, 2007.
- III. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. That the Directors had prepared the annual accounts for the year ended March 31, 2007 on a going concern basis.

FIXED DEPOSITS

During the year under review, your Company did not invite / 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/ RE-ISSUE OF SHARES

Company had forfeited 896882 shares vide Board resolution dated 17-01-2006 due to non payment of call money. The same are pending for Re-issue.

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\$ 700000
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.

By Order of the Board

Place : Hyderabad
Dated: 27.08.2007

Chairman