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Cautionary statement

Statement in the 'management discussion and analysis' describing the Company's objectives, estimates, expectations or projections etc may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. The important factors that could make a difference to the Company's operations include government regulations, patent laws, tax regimes, economic developments, litigation and other allied factors.

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Contents



04

Corporate
Identity



06

What We
Achieved
in 2007-08



10

Chairman's
Overview



13

Vakrangee's
Strengths



20

Enhancing
Shareholders'
Value



22

Management
Discussion
and Analysis



25

Business
Review



29

An Insight Into
Our Numbers



32

Risk
Management



36

Directors'
Report



40

Corporate
Governance Report



51

Financial
Section



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighteenth Annual General Meeting of VAKRANGEE SOFTWARES LIMITED will be held on Tuesday, 23rd September, 2008 at 11.00 a.m. at the OYSTER, Sahara Star, Domestic Airport, Vile Parle (East), Mumbai – 400 099 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement of Accounts of the Company comprising the Balance Sheet as at 31st March 2008, the Profit & Loss Account for the year ended on that date together with the Schedules attached thereto and the Report of the Directors' and Auditors' thereon.
2. To declare dividend for the financial year ended 31st March, 2008.
3. To appoint a Director in place of Mr. Pradeep P. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. M. Joshi, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint M/s. S K Patodia & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. **Increase in sitting fees to Non-Executive Directors of the Company**

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

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 1956 and Articles of Association of the Company approval of the Company be and is hereby accorded to increase the sitting fees payable to the Non-Executive Directors of the Company for attending the meetings of the Board from the existing Rs.10,000/- to Rs.20,000/- per meeting (excluding the out-of-pocket expenses) with immediate effect .

"RESOLVED FURTHER THAT the consent of the members of the company be and is hereby accorded to the Board for the payment of sitting fees of Rs.5,000/- (excluding out-of-pocket expenses) with immediate effect for attending the meetings of the audit committee/remuneration committee/investors grievance Committee or any other committee formed by the Board of Directors".

7. **Revision in remuneration of Mr. Dinesh Nandwana, Managing Director of the Company**

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

"RESOLVED THAT in modification to the earlier resolutions passed in this regard and as per recommendation of the Remuneration Committee, pursuant to the provisions of Sections 198, 269, 309, 310, a "the said Act") (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), and subject to the approval of the Central Government, if any, approval of the members, be and is hereby accorded for payment of commission up to 1% of the net profits of the Company to Mr. Dinesh Nandwana, Managing Director of the Company resulting in revision of remuneration payable with effect from 1st April 2008, for his remaining tenure with the existing terms for his appointment and remuneration remaining unaltered"

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution."

8. **Payment of Commission to Non-Executive Directors of the Company**

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

"RESOLVED THAT in accordance with the provisions of Section 198, 309(4), 310 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s), or re-enactment thereof for the time being in force, and the Articles of Association of the Company and subject to applicable statutory approval(s), all Non-Executive Directors of the Company, be paid in such manner as may be decided by the Board, annually, a Commission of a sum not exceeding one percent per annum of the net profits of the Company as computed in the manner referred to under the Companies Act, 1956, for a period of five financial years commencing from April 1, 2008."



“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

9. To issue equity shares to the employees of the Company under the Employees Stock Option Scheme of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“the ESOP Guidelines”) [including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines for the time being in force], the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed or other relevant authority, from time to time, to the extent applicable and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee including Remuneration & Compensation Committee which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), the Board be and is hereby authorized to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in employment of the Company and its subsidiaries, including Directors of the Company, whether working in India or abroad or otherwise, except the Promoter Directors, under the Employee Stock Option Scheme – 2008 (hereinafter referred to as the “ESOP Scheme 2008”), such number of equity shares and/or equity linked instruments (including Options/Warrants), and/or Restricted Stock Units (RSU’s) exercisable into equity shares, and/or any other instruments or securities (hereinafter collectively referred to as “Securities”) which shall not exceed five percent of the issued equity shares of the Company as on the date of grant of option(s) convertible into equivalent number of Securities, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee.

“RESOLVED FURTHER THAT the said Securities may be granted/allotted directly to such employees/directors of the Company in accordance with the ESOP Scheme 2008 framed and tabled before the Board or ESOP Scheme 2008 framed through a trust which may be set up by the Board/Committee of Directors of the Company in any permissible manner.

“RESOLVED FURTHER THAT the issue of Securities to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary from Reserve Bank of India or any other relevant authority in this regard.

“RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing equity shares of the Company.

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the ESOP Guidelines.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted upon exercise under the ESOP Scheme 2008, on the stock exchanges where the Company’s shares are listed as per the terms and conditions of the listing agreement entered into with the stock exchanges and other applicable guidelines, rules and regulations.

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Securities under the ESOP Scheme 2008 or through trust, the Board/Committee be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect and make any modifications, changes, variations, alterations or revisions in the said ESOP Scheme 2008 or to suspend, withdraw or revive the ESOP Scheme 2008 from time to time as per the discretion of the Board/Committee and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the shareholders of the Company”.



10. To issue equity shares to the employees of the subsidiaries of the Company under the Employees Stock Option Scheme of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (“the ESOP Guidelines”) [including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines for the time being in force], the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed or other relevant authority, from time to time, to the extent applicable and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee including Remuneration & Compensation Committee which the Board may constitute to exercise its powers, including the powers, conferred by this resolution), the Board is and hereby authorized to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Subsidiary Company(ies), including Directors of the Subsidiary Company(ies), whether working in India or abroad or otherwise, except the Promoter Directors, under the Employee Stock Option Scheme – 2008 (hereinafter referred to as the “ESOP Scheme 2008”), such number of equity shares and/or equity linked instruments (including Options/Warrants), and/or Restricted Stock Units (RSU’s) exercisable into equity shares, and/or any other instruments or securities (hereinafter collectively referred to as “Securities”) (subject to the ceiling referred to in resolution 9 above) which shall not exceed five percent of the issued equity shares of the Company as on the date of grant of option(s) convertible into equivalent number of Securities including permanent employees of the Company, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board/Committee.

“RESOLVED FURTHER THAT the said Securities may be granted/allotted directly to such employees/directors of the Company in accordance with the ESOP Scheme 2008 framed as tabled before the Board or ESOP Scheme 2008 framed through a trust which may be set up by the Board/Committee of Directors of the Company in any permissible manner.

“RESOLVED FURTHER THAT the issue of Securities to any non-resident employee(s), non-resident Director(s) shall be subject to such approvals, permissions or consents as may be necessary from Reserve Bank of India or any other relevant authority in this regard.

“RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing equity shares of the Company.

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the ESOP Guidelines.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted upon exercise under the ESOP Scheme 2008, on the stock exchanges where the Company’s shares are listed as per the terms and conditions of the listing agreement with the stock exchanges and other applicable guidelines, rules and regulations.

“RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment or listing of the Securities under the ESOP Scheme 2008 or through trust, the Board/Committee be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect and make any modifications, changes, variations, alterations or revisions in the said ESOP Scheme 2008 or to suspend, withdraw or revive the ESOP Scheme 2008 from time to time as per the discretion of the Board/Committee and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the shareholders of the Company”.

By order of the Board of Directors,
Sd/-

Dinesh Nandwana
Chairman & Managing Director

Place: Mumbai.
Dated: 14th August 2008

**Registered Office:-**

"Vakrangee House", Plot No. 66,
Marol Co-op Industrial Estate,
Off. M. V. Road, Marol, Andheri (E),
Mumbai – 400 059

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting i.e. by 11 a.m. on 21st September 2008.
- 2) Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
- 3) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business to be transacted at the Annual General Meeting is annexed.
- 4) 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.
- 5) Members are requested to bring their admission slips along with copy of the report and accounts to the Annual General Meeting.
- 6) Members who wish to obtain information on the Company or view the accounts for the financial year ended 31st March, 2008, may visit the company's corporate website www.vakrangeesoftware.in or send their queries at least 10 days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company.
- 7) All the documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all the working days between 11.00AM to 1.00 PM up to the date of the Annual General Meeting.
- 8) The Register of Members and Transfer Books in respect of Equity Shares of the Company will remain closed from Thursday, 18th September 2008 to Tuesday, 23rd September 2008 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if any, declared at the Annual General Meeting.
- 9) The dividend if declared at the Annual General Meeting will be paid within 30 days from the date of the Annual General Meeting.
- 10) Members are requested to notify change in address, if any immediately to the company's Registrars M/s. Bigshare Services Pvt. Ltd.
- 11) Members may avail nomination facility as provided under Section 109A of the Companies Act, 1956.
- 12) Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 13) As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors are given below.
- 14) Members are hereby informed that Dividend which remains unclaimed/ un-encashed over a period of Seven years, has to be transferred as per the provisions of Section 205 A of the Companies Act, 1956 by the Company to "The Investor Education & Protection Fund" constituted by the Central Government Under Section 205 C of the Companies Act 1956. It may please be noted that once unclaimed/ un-encashed dividend is transferred to Investor Education & Protection Fund" as above, no claims shall lie in respect of such amount by the Shareholder.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.**Item No. 6**

Currently the Non-Executive Directors of the Company are paid Rs.10,000/- as sitting fees for attending the meetings of the Board and Committees of the Board. In view of the time devoted by the Non-Executive Directors for the meetings your Board is of the opinion that the sitting fees needs to be revised from Rs.10,000/- to Rs.20,000/- for attending meetings of the Board and Rs. 5,000 for attending the meeting of the committee of the Board. Your Directors recommend passing of the resolution.

Except Mr. Dinesh Nandwana – Managing Director and Dr. Nishikant Hayatnagarkar, Executive Director, all other Directors are interested in passing of the resolution.

**Item No.7:**

Mr. Dinesh Nandwana - Managing Director of the Company has been instrumental in the growth of the Company. He has played a pivotal role in obtaining mega contracts from the Government resulting in multi-fold growth and profitability of the Company. With a view to incentives Mr. Dinesh Nandwana for his efforts, the Board of Directors of your Company have considered the recommendation of the Remuneration Committee of the Board, subject to your approval, to pay a Commission of up to 1% of the Net Profits to him. Your Board recommend passing of the resolution as set out in item no.7 of this Notice.

The copies of the supplemental agreement to be entered into with Mr. Dinesh Nandwana – Managing Director and the Company are available for inspection of the members of the Company between 11.00 a.m. to 1.00 p.m. on all working days. None of the Directors except Mr. Dinesh Nandwana, Managing Director is interested in passing of the resolution.

Item No. 8:

The experience of the Non-Executive Directors has helped your Company in achieving multifold growth. The Non-Executive Directors have been devoting time to your Company. In accordance with Section 309 of the Companies Act, 1956, your Directors are seeking approval for payment of Commission to the Non-Executive Directors for a period of five years commencing from 1st April 2008 to 31st March 2013.

Except Mr. Dinesh Nandwana – Managing Director and Dr. Nishikant Hayatnagarkar Executive Director, all Directors of your Company are interested in passing of the resolution.

Item No 9 & 10 :

The Board has identified the need to reward the permanent employees of the Company including employees of the subsidiary companies and to enable them to participate in the growth and financial success of the company. In view of the above, the Board has formulated a Scheme in accordance with the ESOP Guidelines, 1999 to offer securities to the employees (including employees of the subsidiary companies) under the “Employee Stock Option Scheme – 2008” (ESOP Scheme 2008). The Board has accordingly decided to seek approval of the shareholders of the Company.

Disclosures as per Regulation 6.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended:

Sr. No.	Particulars	Disclosures
1.	Total no. of Options /Shares/Securities that could be issued under the Scheme.	Up to five percent (5%) of the aggregate of the number of issued equity shares of the Company, from time to time, on the date(s) of grant of such Securities to eligible employees (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time).
2.	Identification of classes of employees entitled to participate in the ESOP	All employees of the Company and Subsidiary Companies, including Directors (including Whole-time Director) of the Company and its subsidiaries and as may be decided by the Remuneration & Compensation Committee constituted for the purpose.
3.	Vesting, requirement of Vesting and maximum period of vesting	The vesting period shall commence on the expiry of one year from the date of grant of Securities, and may extend up to 3 years from the date of vesting or such further or other period as the Board/Committee may determine, from time to time. The Securities would vest subject to continued employment with the Company or its subsidiaries. In addition to this, the Board/Committee may specify performance criteria/conditions to be met subject to which securities would vest in the employee. The Securities may vest in tranches subject to the terms and conditions stipulated by the Remuneration & Compensation Committee.
4.	Exercise Price or Pricing formula	The Securities would be issued at a market price (Exercise Price), which would be the latest available closing price on the Stock Exchange, which records the highest trading volume in the Company's equity shares on the date prior to the date of the meeting of the Board/Remuneration & Compensation Committee at which the Securities are granted or at such price as the Board/Remuneration & Compensation Committee may determine.
5.	Exercise Period and the Process of Exercise	The exercise period will commence from the date of vesting and will expire not later than 3 year from the date of the vesting of the



		Securities or such other period as may be decided by the Remuneration & Compensation Committee, from time to time.
6.	Appraisal process for determining the eligibility of the employees for ESOP	The appraisal process for determining the eligibility of the employees will be in accordance with the ESOP Scheme 2008 or as may be determined by the Remuneration & Compensation Committee at its sole discretion.
7.	Maximum number of options/shares/securities to be issued per employee and in the aggregate	The maximum number of Securities granted to any employee including Directors of the Company in any one year will not exceed 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.
8.	Disclosure and Accounting policies	The Company will comply with the disclosure and accounting policies, as applicable. In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options shall be disclosed in the Director's Report and also the impact of this difference on profits and Earning Per Share (EPS) of the Company shall also be disclosed in the Director's Report.

In terms of the provision of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and ESOP Guidelines, 1999, approval of the shareholders is sought to issue the Securities, pursuant to the Securities granted under the ESOP Scheme – 2008, not exceeding in aggregate, five percent of the number of issued equity shares of the Company, from time to time, as on the date(s) of grant of securities under the ESOP Scheme 2008.

The Board recommends the resolution as set out in item no. 9 & 10 of the Notice for your approval.

All of the Directors, except Mr. Dinesh Nandwana – Managing Director of the Company may be deemed to be interested in the resolution to the extent of benefit they may derive under the ESOP Scheme 2008.

By order of the Board of Directors,

Sd/-

Dinesh Nandwana

Chairman & Managing Director

Place: Mumbai.

Dated: 14th August 2008

Registered Office:-

"Vakrangee House", Plot No. 66-A, Marol Co-op Industrial Estate,

Off. M. V. Road, Marol, Andheri (E), Mumbai – 400 059

Annexure to Notice

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Mr. Ramesh M Joshi	Mr. Pradeep P. Shah
Age	65 Years	55 Years
Date of Appointment	20/10/2006	03/03/2006
Expertise in specific functional areas	Vast experience in Banking Sector	Rich experience in Indian as well as International finance & taxation, management & corporate affairs.
Qualifications	B.A, LL.B	MBA, CWA, CA
List of Companies in which outside Directorship held as on 31 st July, 2007	1.The Inter Connected stock Exchange of India 2.Avon Weighing Systems Ltd.	1. Director on the Board of many renowned companies.



VAKRANGEE SOFTWARES LTD
 Vakrangee House, Plot No-66, Marol; Co-op. Industrial Estate, Off M.V.
 Road, Andheri (East), Mumbai- 400059

**ATTENDANCE
SLIP**

ANNUAL GENERAL MEETING- SEPTEMBER 23, 2008 AT 11.00 A.M

DP. Id		NAME & ADDRESS OF THE REGISTERED SHAREHOLDER
Client Id/ Folio No.		
No. Of Shares		

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.
 I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at OYSTER,
 Sahara Star, Domestic Airport, Vile Parle (East), Mumbai - 400 099 on Tuesday, 23rd September,
 2008.

 SIGNATURE

Note: Please complete this and hand it over at the entrance of the hall.



VAKRANGEE SOFTWARES LTD
 Vakrangee House, Plot No-66, Marol; Co-op. Industrial Estate, Off M.V. Road,
 Andheri (East), Mumbai- 400059

ANNUAL GENERAL MEETING- SEPTEMBER 23, 2008 AT 11.00 A.M

I/We of
in the district ofbeing a member/members of
VAKRANGEE SOFTWARES LTD hereby appoint Of
 in the district ofor failing him
 ofin the district ofas
 my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the
 Company to be held on Tuesday, September, 23, 2008 and at any adjournment thereof.
 Signed this day of 2008.

DP. Id	
Client Id/ Folio No.	
No. of Shares	

Signature...

**Affix a
15 paise
Revenue
Stamp**

Note: This form of proxy in order to be effective should be duly completed and deposited at the
 Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

