

# VICTORY PROJECTS LIMITED

## 16th Annual Report 2006 - 2007

<b>Board of Directors</b>	Mr. Maruti Ram P Mr. T. N. DhanRaj Mr. D. Krishna Murthy Rao Mr. Ramachandra Murthy Ms. P. V. Lakshmi Mr. D. Seenu Reddy	Managing Director Director Director Director Director Director
<b>Company Secretary</b>	Ms. M. Arpita Lalwani	
<b>Statutory Auditors</b>	Mr. V. Syam Sunder, Chartered Accountant Plot No. 88, Krishna Enclave Indira Nagar, Tirumalagiri Secunderabad – 500 015	
<b>Bankers Registered Office</b>	ICICI Bank Limited, State Bank of Hyderabad G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad Hyderabad – 500 004. Telephone: + 91 (40) 23305484 www.victory-india.com email: info@victoryi-india.com	
<b>Registrars &amp; Share Transfer Agent</b>	XL Softtech Systems Limited 3, Sagar Society, Road No. 2 Banjara Hills, Hyderabad – 500 034. Telephone: + 91 (40) 23545913, 14 Email: xifield@rediffmail.com	

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## NOTICE OF THE 16<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of the members of Victory Projects Limited will be held on Saturday, the 29<sup>th</sup> day of September, 2007 at 9.30 a.m., at the registered office of the Company situated at G-1, Parameshwara Apartments, 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2007 and the Profit & Loss Account for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. T. N. DhanRaj, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. D. Krishna Murthy Rao, who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

4. 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 sections 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956, approval of the Members be and is hereby accorded to the re-appointment of Mr. Maruti Ram P as Managing Director of the Company for a further period of Five Years with effective from October 11, 2006 on monthly remuneration of Rs.1,00,000/- inclusive of all benefits, perquisites as approved by the Remuneration Committee and Board of Directors at their meetings held on October 31, 2006.”

“FURTHER RESOLVED THAT the Board or any committee thereof be and is hereby authorized on behalf of the company to do all such acts, deeds, matters and things as it may be necessary for the purpose of giving effect to this resolution”.

5. To consider and if thought fit, to pass with or without modifications, if any the following as an Ordinary Resolution:

“RESOLVED THAT Mr. D. Seenu Reddy, who was appointed by the Board of Directors as Additional Director with effective from 30<sup>th</sup> June 2007 and who holds office up to the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

**On behalf of the Board of Directors**

Place: Hyderabad.  
Date: 28-07-2007

**Maruti Ram Praturi**  
**Managing Director**

### Notes:

- (a) A member of the Company entitled to attend and vote at a 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. Proxies in order to be effective must be received by the Company, not less than 48 hours before the commencement of the meeting.
- (b) The Register of Members and the Share Transfer Books will remain closed from 26-09-2007 to 29-09-2007, both days inclusive.

- (c) Members / Proxies are requested to bring annual report along with the attendance slip filled in for attending the meeting.
- (d) XL Softech Systems Limited, 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034 is the Registrar and Share Transfer Agent for the physical shares of the Company and also the depository interface of the Company with both NSDL and CDSL.
- (e) Queries on accounts and operations may please be sent to the Company 5 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
- (f) The Explanatory Statements pursuant to Section 173(2) of the Act is annexed hereto.

**Explanatory Statement, as required under Section 173 of the Companies Act, 1956.**

**Item No.4:**

The Remuneration Committee and the Board of Directors of the company in its meeting held on October 31, 2006 recommended re-appointment of Mr. Maruti Ram P as Managing Director of the company for another term of five years with effect from October 11, 2006.

Mr. Maruti Ram P is a B. Tech graduate from Regional Engineering College, Warangal and PG Diploma holder in Business Management from IIM, Banagalore. He had over two decades of entrepreneurial experience in Information Technology Industry.

The above terms and conditions may also be treated as an abstract under Section 302 of the Companies Act, 1956.

The Board recommends the adoption of the resolution under item No.4 set out in the Notice. None of the Directors of the Company except Mr. Maruti Ram P and Ms. P. Vijay Lakshmi are in any way concerned or interested in the resolution.

**Item No. 5:**

Mr. D. Seenu Reddy was appointed as an Additional Director by the Board on 30<sup>th</sup> June 2007 Pursuant to the provisions of Section 260 of the Companies Act, 1956. He holds office only up to the date of this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing Mr. D. Seenu Reddy for the office of Director.

Mr. Seenu Reddy is an Independent and Non-Executive Director as per Clause 49 of the listing agreement. He is an M.Com, Chartered Accountancy (Inter) qualified and having over 30 years of experience in the areas of Accounts, Finance and Management.

The Board of Directors considers that in view of the background and experience of Mr. D. Seenu Reddy, it would be in the interest of the Company to appoint him as a Director of the Company.

He does not hold any shares in the Company. The Board recommends this resolution for your approval. No director except Mr.D.Seenu Reddy is concerned or interested in the passing of this resolution.

**On behalf of the Board of Directors**

Place: Hyderabad  
Date: 28-07-2007

**Maruti Ram P**  
**Managing Director**

**Brief resume of Director retiring by rotation seeking re-appointment at this Annual General Meeting**

Name of the Director	T. N. Dhan Raj	D. Krishna Murthy Rao
Date of Birth	19-04-1960	29-07-1942
Date of appointment	31-07-2006	31-01-2005
Qualifications	B. Tech, MBA(IIM)	C.A.I.I.B
Expertise in specific functional areas	Over 25 years experience in information technology industry	A professional Banker with nearly 4 decades of service
Directorships held in other	Nil	Nil
Public Companies (excluding foreign companies)	Nil	Nil
Memberships/ Chairmanships of committees across public companies (excluding foreign companies)	Nil	Nil
Shareholding in the Company	Nil	Nil

**DIRECTORS' REPORT**

Dear Members,

The Directors present their Sixteenth Annual Report together with the Audited financial statements for the year ended March 31, 2007.

**Financial Results**

	2006-2007	Rs. in Lakhs 2005-2006
1 Income from Operations	66.19	66.31
2 Total Expenditure	36.25	186.37
3 Gross Profit/Loss after interest but before Depreciation	31.61	-120.06
4 Depreciation	11.31	17.34
5 Provision for Taxation	Nil	Nil
6 Net Profit/Loss	18.64	-137.40
7 Reserves excluding Revaluation Reserves	-120.47	-139.10

**Review of Operations and Future Outlook:**

Your Company has started earning significant revenues in the IT Sector. It has completed a prestigious contract with Coal Mines Provident Fund. It has also acquired/built components for its product suite.

The Company proposes to continue its thrust in the IT sector especially with in the interactive Voice Responses line of business.

The company has also initiated measures to increase focus on Infrastructure division and leverage on its reputation of being a long standing enterprise in this line.

**Fixed Deposits:**

During the year under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under. As such no amount of principle or interest towards deposit was outstanding on the date of the Balance Sheet.

**Corporate Governance:**

A report on Corporate Governance including Auditor Certificate thereon as per Clause 49 of the Listing Agreement is contained elsewhere in the Annual Report.

**Management Discussions and Analysis:**

Management Discussions and Analysis Report, pursuant to clause 49 of the Listing Agreement, form part of this report and the same is annexed.

**Listing at Stock Exchange:**

The Equity Shares of the Company continue to be listed on The Bombay Stock Exchange Limited and The Hyderabad Stock Exchange Limited. The annual listing fees for the year 2006-2007 have been paid to The Bombay Stock Exchange Limited.

**Directors:**

Mr. Maruti Ram P was re-appointed as Managing Director of the Company for a further period of five years at the meeting of Remuneration Committee as well as Board of Directors held on October 31, 2006. The Board recommends his appointment at the forthcoming Annual General Meeting.

Mr. D. Seenu Reddy has been appointed as Additional Director on June 30, 2007. He is an independent director as per the provisions of the Listing Agreement. Resolution seeking approval of the Shareholders for his appointment have been incorporated in the Notice of the forthcoming Annual General Meeting along with his brief profile.

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr. T. N. Dhanraj and Mr. D. Krishna Murthy Rao, retire by rotation and being eligible offer themselves for re-appointment at this Annual General Meeting.

**Auditors:**

Mr. V. Syam Sunder, Chartered Accountant, Hyderabad, the Statutory Auditors of the Company hold office till the conclusion of forthcoming Annual General Meeting. Your directors recommend their appointment at the ensuing Annual General Meeting as Statutory Auditors.

**Information u/s. 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.**

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

- a) Conservation of Energy: The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.
- b) Technology Absorption: Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up gradation of product and services development.
  
- a) Foreign Exchange earnings and outgo: Total foreign exchange earnings during the year were Rs. Nil Lakhs (Previous year Rs. Nil Lakhs) and foreign exchange outgo was Rs. Nil Lakhs (previous year Rs. Nil Lakhs).

**Particulars of Employees:**

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not required as none of the employee falls under the category.

**Directors' Responsibility Statement:**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956 (Act), your Directors confirm as under:

- 1. That, in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures;
- 2. 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 at the end of the financial year and of the profit or loss of the Company for that period.
- 3. That, the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4. That, the Directors had prepared the annual accounts on a going concern basis.

**Acknowledgements:**

The Directors thank the Company's Bankers, Employees and officials of concerned Government Departments for their co-operation and continued support to the Company. Also thank the Members for the confidence they have reposed in your Company and its Management.

**On behalf of the Board of Directors**

Place: Hyderabad  
Date: 28-07-2007

**Maruti Ram Praturi**  
**Managing Director**

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has complied with the requirements of the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed here in below:

### 2. Board of Directors

#### Composition of the Board :

The Company has an optimum combination of Executive and Non-Executive Directors. The number of Independent Non-Executive Directors is half of the Board's strength at any point of time. All Independent Non-Executive Directors comply with the legal requirements of being "Independent." The composition of the Board of Directors of the Company is as follows:

Name of the Director	Category	Designation	Directorship in Boards of other Companies @	Chairmanship in committees of Boards of other Companies \$	Membership in committees of Board of other Companies\$
Mr. Maruti Ram Praturi	Promoter Director	Managing Director	Nil	Nil	Nil
Dr. Kondal Rao Saripalli #	Promoter Director and Non-Executive	Director	Nil	Nil	Nil
Mr. K. Sriram #	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. D. Krishna Murthy Rao	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. Ramachandra Murthy	Independent Non-Executive Director	Director	Nil	Nil	Nil
Smt. P. V. Lakshmi	Promoter Director and Non-Executive	Director	Nil	Nil	Nil
Mr. T. N. Dhanraj **	Independent Non-Executive Director	Director	Nil	Nil	Nil
Mr. D. Seenu Reddy ***	Independent Non-Executive Director	Director	Nil	Nil	Nil

@ Directorships in private and foreign companies are excluded.

\$ Membership/Chairmanship of only Audit Committee and Shareholders Grievance Committee has been considered.

# Ceased to be the Directors effective July 31, 2006.

\*\* Appointed as Director effective July 31, 2006.

\*\*\* Appointed as Director effective June 30, 2007

#### Details of Board Meetings and Attendance:

During the financial year 2006-07 Board of Directors of the Company met five times on 29-04-2006, 30-06-2006, 31-07-2006, 31-10-2006 and 30-01-2007. The attendance details of the directors at the Board Meetings and last Annual General Meeting is as follows:



Name of the Director	Number of meetings held	Number of meetings attended	Whether attended the last AGM in 2006
Mr. Maruti Ram Praturi	5	5	Yes
Dr. Kondal Rao Saripalli	5	0	No
Mr. D. Krishna Murthy Rao	5	5	Yes
Mr. Ramachandra Murthy	5	2	Yes
Smt. P. V. Lakshmi	5	4	Yes
Mr. T. N. Dhanraj	5	2	Yes

### Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

### 3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of reference include:

- Overseeing the Company financial reporting process.
- Reviewing periodical financial results, financial statements and adequacy of internal control systems.
- Approving Internal Audit plans and reviewing efficacy of the function.
- Discussion and review of periodic audit reports, and
- Discussions with external auditors about the scope of the audit including the observations of the auditors.

### Composition and Attendance:

There are three members of the audit committee and all the members of the committee are Non-Executive in which two members are Independent Directors. Members of the Audit Committee are Mr. Ramachander Murthy, Mr. T. N. Dhanraj and Ms. P. V. Lakshmi.

Mr. Ramachander Murthy is the Chairman of the Audit Committee. The Company Secretary Ms. M. Arpita Lalwani acts as the Secretary to the Committee.

During the financial year 2006-07 Audit Committee met four times on 30-06-2006, 31-07-2006, 31-10-2006 and 31-01-2007. All the members of the Committee attended all the above meetings

Minutes of the Audit Committee are circulated to the members of the Committee and the Board is kept appraised.

### 4. Remuneration Committee

The members of the Remuneration Committee of the Board of Directors of the Company are Mr. Ramachander Murthy, Mr. T. N. Dhanraj and Ms. P. V. Lakshmi, Mr. Ramachander Murthy is the Chairman of the said Committee.

The terms of reference of the Remuneration Committee are:

- To review and approve / recommend the remuneration for the Corporate officers and Managing Director of the Company
- To review and recommend to the Board the remuneration policy for the Company.
- To approve grant of stock options to the employees and / or directors of the Company and subsidiary.

- d) To discharge such other functions or exercise such powers as may be delegated to the Committee by the Board from time to time.

**Remuneration Policy:**

The Committee has the mandate to review and recommend compensation payable to the Managing Director and Senior Executives of the Company. No director other than Mr. Maruti Ram Praturi is drawing remuneration from Company. Mr. Maruti Ram Praturi is drawing remuneration for the services rendered in the capacity of Managing Director of the Company. The Company is paying a sitting fee of Rs.5000/- to the Non-Executive Directors for attending each board meeting.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2006-07 are as follows:

The Committee has the mandate to review and recommend compensation payable to the Managing Director and Senior Executives of the Company. No director other than Mr. Maruti Ram Praturi is drawing remuneration from Company. Mr. Maruti Ram Praturi is drawing remuneration for the services rendered in the capacity of Managing Director of the Company. The Company is paying a sitting fee of Rs.5000/- to the Non-Executive Directors for attending each board meeting.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2006-07 are as follows:

Name of the Director	Designation	Salary	Commission & Perks	Sitting Fees	Total
Mr. Maruti Ram Praturi	Managing Director	200000	Nil	Nil	200000
Dr. Kondal Rao Saripalli	Director	Nil	Nil	Nil	Nil
Mr. D. Krishna Murthy Rao	Director	Nil	Nil	25000	Nil
Mr. Ramachander Murthy	Director	Nil	Nil	5000	Nil
Ms. P. V. Lakshmi	Director	Nil	Nil	Nil	Nil
Mr. T. N. Dhanraj	Director	Nil	Nil	5000	Nil

No other benefits, bonuses, stock options, pensions or performance-linked incentives are paid to directors except as mentioned above and there are no pecuniary relationships or transactions by the non-executive directors during the financial year.

**Shareholding details of directors as on March 31, 2007 is as follows :**

Name of the Director	No. of shares held
Mr. Maruti Ram Praturu	458070
Dr. Kondal Rao Saripalli	203100
Mr. K. Sriram	Nil
Mr. D. Krishna Murthy Rao	Nil
Mr. Ramachandra Murthy	17860
Ms. P. V. Lakshmi	259598

None of the Non-executive directors have any material pecuniary relationship or transactions with the Company.

## **5. Share Transfers and Shareholders Grievance Committee**

The Share Transfers and Shareholders Grievance Committee comprises of two non-executive directors and one executive director. The Chairman of the Committee is the Independent Director. The members are Mr. Ramachandra Murthy (Chairman), Mr. P. Maruti Ram and Ms. P. V. Lakshmi. Ms. M. Arpita Lalwani, Company Secretary is the Compliance Officer.

### **Scope of the Committee**

The scope of the Shareholders' Share Transfers and Shareholders Grievance Committee is to review and address the grievances of the shareholders in respect of share transfers, transmissions, dematerializations and rematerialisation of shares, dividend, change of address, and other miscellaneous matters.

During the year Company has not received any complaints from the shareholders and there are no pending shareholder complaints or share transfers as on date of this report.

The Committee generally meets once in a month to approve share transfers, issue of duplicate shares and review matters connected with redressal of shareholders complaints and all the members attended all the meetings.

## **6. Annual General Meetings**

Details of the last three Annual General Meetings (AGM) are as follows:

<b>Year/Period</b>	<b>Day, Date and Time</b>	<b>Location</b>
2003-2004	Thursday, 30 <sup>th</sup> September 2004 at 9:00 A.M.	At the Registered office of the Company at G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004.
2004-2005	Friday, 30 <sup>th</sup> September 2005 at 10.30 A.M.	At the Registered office of the Company at G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004.
2005-2006	Friday, 29 <sup>th</sup> September 2006 at 9:30 A.M.	At the Registered office of the Company at G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004.

A special resolution was passed by the shareholders in the Annual General Meeting held on 30<sup>th</sup> September 2004 to accord their consent to keep the Register of Members, Index of Members and related documents be kept at M/s. XL Softech Systems Limited (Registrars and Share Transfer Agents).

No business was transacted through postal ballot at the last three Annual General Meetings. At the forthcoming Annual general Meeting no business is required to be transacted through postal ballot.

## **7. Disclosures:**

- The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have any potential conflict with the interests of the Company.
- There are no pecuniary relationship or transactions with non-executive directors vis-à-vis the Company, which has potential conflict with the interests of the Company at large.
- The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures has been imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during last three years.
- The Company has complied with all the applicable mandatory requirements of the revised Clause 49 of the Listing Agreement.

**8. Means of Communication**

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges, immediately after these are taken on record by the Board. These financial results are normally published in Business Standard/Indian Express (English) and Andhra Bhumi/Andhra Prabha/Andhra Jyothi (Telugu) Newspapers and are displayed on the website of the Company [www.victory-india.com](http://www.victory-india.com).

The official news releases and the presentation made to the investors/ analysts are also displayed on the Company's website.

Management Discussion and Analysis Report forms part of the Report of the Directors.

**9. General Shareholders Information:**

Registered Office & address for Correspondence:	G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004. E-mail: <a href="mailto:info@victory-india.com">info@victory-india.com</a> Website: <a href="http://www.victory-india.com">www.victory-india.com</a>
Annual General Meeting: (Date, Time and Venue)	Saturday, September 29, 2007, 9.30 A.M At G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004.
Financial Year:	April 1, 2006 to 31 <sup>st</sup> March 2007.
Book Closure:	September 26, 2007 to September 29, 2007 (both days inclusive)
Listing of Shares:	The Company shares are listed on The Bombay Stock Exchange Limited and The Hyderabad Stock Exchange Limited. The Company has paid listing fees for the financial year 2006-2007 to The Bombay Stock Exchange Limited.
Stock Code	BSE 530595
ISIN Number for NSDL & CDSL	INE 381G01013
Share Transfer Agent:	XL Softtech Systems Limited, 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034.
Share Transfer System:	Equity Shares lodged for transfer in physical mode are normally registered within 15 days from the date of receipt. The Share Transfer Agent is handling all the Share Transfers and related transactions. As on March 31, 2007, no share transfer or complaints were pending.
Details on use of public funds obtained in 3 years	No fund was raised from public during the last three years
Address for Correspondence:	Ms. M. Arpita Lalwani, Company Secretary, Victory Projects Limited, G-1, Parameshwara Apartments, 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004.

**Market Price Data in the last financial year:**

The high/low market price of the shares during the financial year 2006-07 at The Bombay Stock Exchange Limited (BSE) is as given below. The shares were not traded at the Hyderabad Stock Exchange Limited (HSE) during the year.

Month	BSE-High	BSE-Low	Month	BSE-High	BSE-Low
April 2006	5.80	3.00	October 2006	4.49	2.77
May 2006	6.56	4.97	November 2006	7.45	2.50
June 2006	5.20	4.50	December 2006	9.00	4.98
July 2006	5.00	2.53	January 2007	6.44	5.16
August 2006	4.60	2.62	February 2007	6.28	4.76
September 2006	5.30	3.12	March 2007	5.25	3.30

**Shareholding Pattern as on March 31, 2007**

Category	No. of Shares	% of Shareholding
Promoters	1340577	24.81
Mutal Funds.	Nil	Nil
Banks /FI	107800	1.99
Private Corporate Bodies	275087	5.09
Public	3146710	58.23
NRI/OCBs	533940	9.88
<b>Total</b>	<b>5404114</b>	<b>100</b>

**Distribution of Shareholding as on March 31, 2007:**

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	shares (In Rs.)	Shares (Percentage)
1 – 5000	1523	52.70	5440520	10.07
5001 – 10000	780	26.99	6555310	12.13
10001 – 20000	329	11.38	5125400	9.48
20001 – 30000	77	2.66	2009520	3.71
30001 – 40000	45	1.56	1601230	2.96
40001 – 50000	30	1.04	1383330	2.56
50001 – 100000	50	1.73	3842670	7.12
100001 & above	56	1.94	28083160	51.97
<b>Total</b>	<b>2890</b>	<b>100</b>	<b>54041140</b>	<b>100.00</b>

**Dematerialization of Shares and liquidity:**

The Shares of the Company are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on March 31, 2007 1549536 Equity Shares of the Company forming 28.67 % of the Share Capital of the Company, stand dematerialized. Identification Number of scrip given by NSDL and CDSL is INE381G01013.

**Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Team have confirmed compliance with the Code of Conduct for the Financial Year ended March 31, 2007.

**On behalf of the Board of Directors**

Place: Hyderabad  
Date : 28-07-2007

**Maruti Ram Praturi**  
**Managing Director**

**Auditor's Certificate on Compliance with Corporate Governance pursuant to Clause 49 of the Listing Agreement.**

The members of  
Victory Projects Limited

1. We have examined the compliance of conditions of Corporate Governance by SoftPro Systems Limited (the Company) for the year ended March 31, 2007, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges in India.
2. The compliance of conditions 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 28-07-2007

**V. Shyam Sundar**  
**Chartered Accountant**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry structure and developments**

Your company is a modest beginner in the booming IT sector, which is dominated by many proven successful giants. However, by bagging important contracts and expanding its clientele the division is securing its place as a significant player in the niche IVR segment. Your company's aquaculture operations are still at a very subdued level due to continued intransigence from the environmental control authorities. However, the company has initiated measures to re-focus on construction division since it has a modest reputation as a player with a long standing in this line.

**Opportunities and Threats**

Company perceives tremendous opportunities in the IT sector. It also expects a good business in the construction segment, since the time is ripe for re-focussing on construction division. However, we see very limited future growth in the aquaculture divisions. Due to paucity of funds the growth of your company in the IT sector is bound to be moderate and time consuming and hence the company is considering alternatives to leverage on its equity.

**Segment-wise or product-wise performance**

Segment wise details are given with in the director's report.

**Outlook**

As dealt above company is making all efforts under the given limitations. The company is getting out of unremunerative lines of business progressively. Outlook at this stage is not clearly visible for accurate prediction.

**Risks and concerns**

Paucity of funds and tremendous competition.

**Internal control system and their adequacy**

All internal control systems are in place and are functioning.

**Discussion on financial performance with respect to operational performance**

As such the operational efficiencies are taken care of and due to modest revenues these efficiency do not play a significant role in the overall performance of the company.

**Human Resources/Industrial Relations**

Company provides the necessary environment for a healthy workplace commensurate with the level of operations. The level of personnel is also modest.

**Disclosures on transactions**

The company has no adverse transactions with any of its directors or members of the board and/or the company. *The transactions with related parties appear in the notes to the accounts.*

**AUDITORS REPORT**

The Members

M/s. Victory Projects Limited

1. I have audited the attached Balance Sheet of VICTORY PROJECTS LIMITED, as at March 31, 2007, the Cash Flow Statement and the Profit & Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on our audit.
2. I have conducted the audit in accordance with the auditing standards generally accepted in India. These standards require that I 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. I believe that my audit provides a reasonable basis for our opinion.
3. As required by the Companies( Auditors Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of Section 227 of the companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to above and subject to Notes to Accounts, I report that :
  - i) I have obtained all the information and explanations, which to the best of our knowledge and belief was necessary for the purposes of my audit ;
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those books;
  - iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account ;
  - iv) In my opinion, the balance sheet and profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 ;
  - v) On the basis of written representations received from the directors, as on March 31, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as director in terms of clause (g) of Subsection 1 of section 274 of the Companies Act, 1956



Re : **VICTORY PROJECTS LIMITED**

- vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts read together with accounting policies and other notes attached thereto 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.
- a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 07
  - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date ; and
  - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**For V SYAM SUNDER**  
Chartered Accountant

**V SYAM SUNDER**  
Proprietor

Place : Hyderabad  
Date : 30<sup>th</sup> June, 2007

Referred to in paragraph 3 of our report of even date.

- (i) a. The company has maintained records showing full particulars including quantitative details of situation of fixed assets.
  - b. The fixed assets were physically verified by the management during the year, and discrepancies noticed on such verification have been properly dealt with in the accounts.
  - c. During the year, the assets of gross value of Rs.316876/- were disposed by the company.
- (ii) a. The management of the company has conducted physical verification of its inventories adequately during the year.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company is maintaining records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (iii) The company, as per the information and explanations provided, has not accepted or taken loans from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and hence matters regarding rate of interest, terms and conditions of loans, repayments and overdue amounts more than Rs.1 lakh are not applicable.
- (iv) In my opinion and according to the information and explanations given to me, apart from certain procedures that need strengthening on an ongoing basis, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of my audit, no major weakness has been noticed in internal controls.
- (v) a. According to the information and explanations given to me, I am of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
  - b. In my opinion and according to the information and explanations given to me, the transactions, if any, in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from the public and hence the provisions of Section 58 A of the Companies Act, 1956 and the rules framed there under are not applicable to the company. In the company's case, no order has been passed by the Company Law Board.
- (vii) The company has not established a formal internal audit system due to paucity of funds and functions with a detailed review of transactions by its audit committee, which is commensurate with the size and nature of its present business.
- (viii) As per the information provided by the Management, that the Company is not covered by the rules made by the Central Government for the maintenance of cost records under Sec 209 (I)(d) of the Companies Act, 1956.
- (ix) (a) As per the information provided by the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues for Income Tax, Wealth Tax, Sales Tax & other statutory dues applicable to it. We are informed that the company has no liability towards gratuity and that the provisions of the Provident Fund & ESI Act are not applicable to it.

- (b) There are no dues of sales tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In my opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has cash profit of Rs. 34.37 Lakhs during the financial year covered by my audit and cash loss of 60.63 lakhs during the year immediately preceding financial year.
- (xi) In my opinion and according to the information and explanations given to me, the company has no amounts due and hence not defaulted in repayment financial institution, bank or debenture holders.
- (xii) I am of the opinion, and according to the information and explanations given to me that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion, the company is not a chit fund or a nidhi, mutual benefit, fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In my opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In my opinion and according to the information provided and explanations given that the company has not taken any term loans during the year under audit.
- (xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that the no funds raised on short term basis have been used for long-term assets except permanent working capital.
- (xviii) According to the information and explanations given to me, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to me, the company has not issued any debentures during the year under audit or any period prior to it.
- (xx) According to the information given that the company has not made any public issue during the year We have verified the end use of money raised by public issue made earlier as disclosed in the notes to the financial statements.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of our audit.

For **V SYAM SUNDER**  
Chartered Accountant

**V SYAM SUNDER**  
Proprietor

Place : Hyderabad  
Dated : 30-06-2007

VICTORY PROJECTS LIMITED

Balance Sheet as at 31st March 2007

	Schedule	As at 31-03-2007 Rs	As at 31-03-2006 Rs
Sources of Funds			
Shareholders funds:			
a) Share Capital	1	50,242,265	50,242,265
b) Reserves & Surplus	2	(12,046,707)	(13,910,433)
Total		<u>38,195,558</u>	<u>36,331,832</u>
Application of Funds			
Fixed Assets ( Net of depreciation)	3	22,742,784	16,516,715
Net Current Assets			
a) Current Assets, Loans & Advances	4	24,108,000	26,848,560
b) Current Liabilities & Provisions	5	<u>8,655,226</u>	<u>15,452,774</u>
			<u>7,475,798</u>
Miscellaneous Expenditure	6		442,355
Total		<u>38,195,558</u>	<u>36,331,832</u>

Accounting Policies and Notes to Accounts Annexed

for V.SYAM SUNDER  
CHARTERED ACCOUNTANT

for and on behalf of the Board

V.Syam Sunder,  
Proprietor

P.Maruti Ram  
Managing Director

P.Vijay Lakshmi  
Director

M. Arpita Lalwani  
Company Secretary

Place: Hyderabad  
Date : 30.06.2007

**CASH FLOW STATEMENT**

	As on 31.03.2007	As on 31.03.2006
<b>A. Cash flow from Operation Activities:</b>		
Net Profit/ Loss before Interest & Tax	1863727	-13740000
Adjustment for Depreciation	1130992	1733640
Adjustment for Amortisation	442355	449172
Adjustment for Extra Ordinary Items	0	13088251
Operating Profit / Loss before Working Capital Charges	3437074	1531063
(Increase / Decrease in Fixed Assets)	-7357061	-101261
(Increase / Decrease in Current Assets)	2754467	-3991304
(Increase / Decrease in Loans)	0	0
(Increase / Decrease in Current Liabilities)	1179428	2373024
Income taxes paid	0	0
Net Cash used in Operating Activities	13907	-188478
<b>B. Cash flow from Investing Activities</b>	0	-53000
<b>C. Cash flow from Financing Activities</b>	0	0
<b>D. Net Cash outflow / (inflow)</b>	13907	-135478
<b>E. Cash &amp; Cash Equivalents as at beginning</b>	32107	167585
Cash & Cash Equivalents as at Closing	46014	32107

Per my report of even date

for V.SYAM SUNDER

CHARTERED ACCOUNTANT

for and on behalf of the Board

V.Syam Sunder  
Proprietor

P.Maruti Ram  
Managing Director

P.Vijay Lakshmi  
Director

M. Arpita Lalwani  
Company Secretary

Place: Hyderabad

Date : 30.06.2007

**Victory Projects Limited**

**Profit & Loss Account for the year ended 31st March 2007**

Particulars	Shedule	Current Year	Previous Year
		31-03-2007 Rs	31-03-2006 Rs
<b>Income</b>			
Income from operations	7	6,619,421	6,630,583
Total		<u>6,619,421</u>	<u>6,630,583</u>
<b>Expenditure</b>			
Cost of materials and labour	8	207,300	4,080,588
Operating, Administration & other Expenses	9	2,975,048	14,107,183
Depreciation	3	1,130,992	1,733,640
Preliminary & Deferred Revenue	6	442,355	449,172
Expenses written off			
Total		<u>4,755,695</u>	<u>20,370,583</u>
Profit Before Tax		1,863,727	(13,740,000)
Income Tax for earlier years		0	0
Profit After Tax		1,863,727	(13,740,000)
Loss account b/f		(36,774,808)	(23,034,808)
Balance carried to Balance sheet		(34,911,082)	(36,774,808)
EPS		0.37	(2.73)
Diluted EPS		0.37	(2.73)

Accounting Policies and Notes to Accounts Annexed

for V SYAM SUNDER  
CHARTERED ACCOUNTANT

for and on behalf of the Board

V.Syam Sunder,  
Proprietor

P.Maruti Ram  
Managing Director

P.Vijay Lakshmi  
Director

M. Arpita Lalwani  
Company Secretary

Place: Hyderabad  
Date : 30.06.2007

**Victory Projects Limited**  
**Schedules to Balance Sheet**

	<b>As at</b>	<b>As at</b>
<b>Schedule 1 :</b>	<b>31.03.2007</b>	<b>31.03.2006</b>
	Rs.	Rs.
Share Capital		
Authorised Share Capital		
6000000 equity shares of Rs 10 each	<u>60,000,000</u>	<u>60,000,000</u>
Issued, subscribed & paid up		
5404114 equity shares of Rs 10 each	54,041,140	54,041,140
<b>Less :</b>		
Share allotment money due	(3,798,875)	(3,798,875)
<b>Total</b>	<u><b>50,242,265</b></u>	<u><b>50,242,265</b></u>
 <b>Schedule 2 :</b>		
Reserves & Surplus		
General reserve	350,000	350,000
Share Premium	23,763,000	23,763,000
<b>Less : Premium due on share allotment</b>	<u>1,248,625</u>	<u>1,248,625</u>
	22,514,375	22,514,375
Profit & Loss Account	(34,911,082)	(36,774,808)
<b>Total</b>	<u><b>(12,046,707)</b></u>	<u><b>(13,910,433)</b></u>

**Schedule 3 :  
Fixed Assets**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	At 01.04.2006 Rs.	Additions/ Rs.	Deletions/ Rs.	31.3.2007 Rs.	01.04.2006 Rs.	For the year Rs.	Deletions Rs.	At 31.3.2007 Rs.	31.3.2007 Rs.	31.03.2006 Rs.
Land	4028611		316876	3711735	0	0	0	0	3711735	4028611
Buildings	187501			187501	55115	6260	0	61375	126126	132386
Aqua Ponds	19095808			19095808	7206531	907050	0	8113581	10982227	11889277
Plant & machinery	0			0	0	0	0	0	0	0
Office equipments	293972	27756		321728	103735	13960	0	117695	204033	190237
Computers	668465	87410		755875	497885	112109	0	609994	145881	170580
Furniture & fixtures	384675			384675	279051	24348	0	303399	81276	105624
<b>Capital work in progress</b>										
Product Dev.Exp	0	7558771	0	7558771	0	67265		67265	7491506	0
<b>Total</b>	<b>24659032</b>	<b>7673937</b>	<b>316876</b>	<b>32016093</b>	<b>8142317</b>	<b>1130992</b>	<b>0</b>	<b>9273309</b>	<b>22742784</b>	<b>16516715</b>
Previous year	35548263	7608461	18497692	24659032	8390918	1733640	1982241	8142317	16516715	28950319



**Schedule 4 :**

**Current Assets, Loans & advances**

	<b>31.03.2007</b>		<b>31.03.2006</b>
	Rs.		Rs.
<b>Inventories :</b>			
Materials at site	0		0
Project land	0		0
Total Work in Progress	4,060,874		4,060,874
Finished Goods	0		0
<b>Sundry debtors</b>			
Exceeding 6 months	5,815,258	10,599,667	
Others	3,149,686	3,564,000	14,163,667
Balances with scheduled banks	23,320		27,664
Cash balances	22,694		4,443
Advances recoverable in cash or in kind	1,621,715		2,515,094
Deposits	61,096		61,096
Loans & Advances	0		0
Advances for Construction Project Lands	4,446,423		1,108,787
Advance for Farm Land	4,906,935		4,906,935
<b>Total</b>	<b>24,108,000</b>		<b>26,848,560</b>

**Schedule 5 :**

**Current Liabilities & Provisions**

Customer advances	0		0
Sundry creditors	2,098,829		1,858,839
Amounts due to directors	5,444,223		4,328,298
Provisions	1,112,174		1,288,661
<b>Total</b>	<b>8,655,226</b>		<b>7,475,798</b>

**Schedule 6:**

**Miscellaneous Expenditure**

Public Issue expense			
Opening	442,355	891,527	
Written off during the period	442,355	449,172	
Closing	0		442,355
<b>Total</b>	<b>0</b>		<b>442,355</b>

	31.03.2007 Rs.	31.03.2006 Rs.
<b>Schedule:7</b>		
Income From Operations		
Income from IT Operations	5,508,828	3,649,250
Project Land Sales	0	0
Income from Aqua	389,825	2,980,000
Income from Construction		0
<u>Other Income</u>		
IT	262,644	1,333
Aqua	458,124	
<b>Total</b>	<b>6,619,421</b>	<b>6,630,583</b>
<b>Schedule : 8</b>		
Cost of materials & labour		
Increase/decrease in inventories		
Opening:		
Finished Goods	0	639,620
Work in progress	4,060,874	4,060,874
Aqua Purchases	124,800	1,144,153
Sub Total	4,185,674	5,844,647
Closing:		
Finished Goods	0	0
Work in progress	4,060,874	4,060,874
Sub Total	4,060,874	4,060,874
Total Cost of Labour	124,800	1,783,773
Add: Labour	82,500	2,296,815
<b>Total</b>	<b>207,300</b>	<b>4,080,588</b>
<b>Schedule:9</b>		
Operating, Administrative & Other Expenses		
Salaries	916,539	2,103,686
Rent and amenities	120,000	110,500
Travel & Conveyance	357,668	277,304
Communication Expenses	83,608	144,599
Computer Expenses	19,905	13,255
Legal & Professional Charges	184,131	295,317
Printing & Stationary	32,255	35,112
Other expenses	1,059,322	10,311,406
Rates & taxes	1,620	11,666
Loss on cancellation of flat agreements	0	267,500
Directors Remuneration	200,000	500,000
<b>Total</b>	<b>2,975,048</b>	<b>14,107,183</b>

**NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2007****A. SIGNIFICANT ACCOUNTING POLICIES:****1. Method of Accounting**

- a. The financial statements are prepared on a going concern basis with historical costs in accordance with the accounting standards prescribed in Sec 211 (3C) of the Companies Act, 1956.
- b. The financial statements are prepared following the accrual method of accounting excepting incomes with significant uncertainties.

**2. Income Recognition**

- a. In the case of sale agreements, which specify consideration for land and construction separately, Income from the sale of land is recognised at the time of entering into sale agreements. Income from construction activity is recognised as a percentage of agreement values equivalent to the stage of construction.
- b. In respect of development ventures , the cost of land is arrived at on the basis of estimated cost of construction of such constructed area as is offered as consideration for the development agreement.
- c. Cost of land comprises that land acquired on outright sale, as agreement holder, or as holder of development right at acquisition cost .
- d. In respect of income from IT operations, on the basis of stage of contractual entitlements.
- e. In respect of aquaculture operations, at the point of sale.

**3. Fixed Assets**

The fixed assets are accounted at acquisition cost, costs incidental to such acquisition and revenue costs, if any, incurred during the construction period. The fixed assets are depreciated at straight line rates prescribed in Schedule XIV to the Companies Act, 1956 excepting in the case of centering equipment which is depreciated over 5 years.

**4. Inventories**

- a) Materials at site are valued at cost or market value whichever is lower.
- b) Construction lands are valued at cost as determined in clause 2 above
- c) Finished goods are valued at cost of construction
- d) Work in progress is valued at cost comprising of direct and relevant indirect costs.

**5. Gratuity :**

Provision for accrued gratuity liability is made if necessary in accordance with AS – 15.

**6. Miscellaneous Expenditure:**

- a) Preliminary expenses and public issue expenses are amortised over 10 year

**7. Taxes on income**

Provision for current tax is made in accordance with the provisions if the Income Tax Act, 1961. Provisions for Deferred taxes, if necessary, is made in accordance with Accounting standard 22 of the Institute of Chartered Accountants of India.

**B. Other Notes :**

1. **Segment reporting :** The company has identified three reportable segments, viz. Construction, Information, Technology and Aquaculture, in terms of the requirements of Accounting Standard – 17 of the Institute of Chartered Accountants of India. The accounting policies of the adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.
  - a. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.
  - b. Segment assets and segment liabilities represent assets and liabilities in respective segments.

<b>SEGEMENTAL RESULTS</b>	31.03.2007 Rs.Lakhs	31-03-06 Rs.Lakhs
1. Segment Revenue		
a. IT Operations	55.09	36.54
Other operations	2.63	0.00
b. Construction	0.00	0.00
c. Aqua Operations &		
Other Operations	3.90	29.80
Net Sales	4.58	0.00
Net Sales	66.20	66.34
2 Segment Results		
Profit before Interest and Tax		
a. IT Operations	30.04	-36.75
b. Constructions &	-4.08	-29.55
Other Operations		
c. Aqua Operations	-7.42	-71.10
Total	18.64	137.40
3 Capital Employed		
a. IT Operations	95.02	80.76
b. Constructions &	68.54	69.10
Other Operations		
c. Aqua Operations	221.41	231.37

**2 Related Party Disclosures**

In compliance with the requirements of Accounting Standard 18, the following are the details of transactions with key management personnel

Name	Opening Balance	Rent Due	Reimbursement Account	Current Account	Amount Paid	Closing
P.Maruti Ram	1901762	0	0	280107	109287	2072582
P.Vijay Lakshmi	2618536	96000	0	657105	0	3371641

**C. MISCELLANEOUS:**

	31.03.07	31.03.06
	Rs.	Rs.
a) Particulars of Purchases, Sales & Stocks		
Land, Flats & Contracts, etc	0.00	0.00
IT Operation	5508828	3650583
Aquaculture	389825	2980000
Cost of Land, Flats & Contracts	0.00	639620
Cost of Aquaculture	207300	3440968
b) Quantitative particulars of Materials		
Consumption		
Aqua Feed and chemicals ( Kgs)	1153 Kgs &20270pcs	31756 Kgs &867860pcs
c) Capacity & Production:		
The installed capacity of aqua ponds is regulated by the MPED Authority based on their norms and is indeterminate at the present point of time. The capacity of the processing plant is not mentioned since the same is not commissioned.		
d) Cancelled project expenditure is shown under cost of cancelled projects and under cost of materials.		
e) Auditors remuneration comprises statutory audit and Tax audit fee for the year 2006 – 2007 Rs.60,000/-(Previous year 35000/-)		
f) Sundry debtors, Loans & Advances, Sundry Creditors and bank balances are subject to confirmation and reconciliation wherever necessary.		
g) Other expenses includes adjustments on account of Sundry balances written off/ written back.		
h) Previous years figures have been regrouped and reclassified wherever necessary and all figures have been rounded of the nearest rupee.		
i) The impact of deferred tax in accordance with AS – 22 has been considered while framing the accounts.		

Per my report of even date  
for V. SYAM SUNDER  
CHARTERED ACCOUNTANT

for and on behalf of the Board

V.Syam Sunder,  
Proprietor

P.Maruti Ram  
Managing Director

P.Vijay Lakshmi  
Director

M Arpita Lalwani  
Company Secretary

Place: Hyderabad

Date: 30<sup>th</sup> June, 2007

**BALANCE SHEET ABSTRACT AND COMPANYS GENERAL BUSINESS PROFILE**

I	Registration Details:		Registration Number 12974
	State Code :		1
	Balance Sheet Date :		31.03.2007
II	Capital Issued during the Year (Amount in Rs.)		
	Public Issue: Nil	Rights Issue: Nil	
	Bonus Issue: Nil	Private Placement: Nil	
III	Position of Mobilisation and Deployment of Funds: (Amount in Rs.)		
	Total Liabilities:	Total Assets:	
	Sources of Funds:-		
	Paid-up Capital :	54,041,140	Reserves&Surplus (12,046,707)
	Secured Loans	0	Unsecured Loans 0
	Application of Funds:-		
	Net Fixed Assets:	22,742,784	Investments: 0
	Net Current Assets:	15,452,774	Misc. Expenditure: 0
IV	Performance of the company (Amount in Rs.)		
	Turnover:	6,619,422	Total Expenditure: 4,755,695
	Profit before Tax:	1,863,727	(Profit) after Tax: 1,863,727
	Earnings per share:	Rs.0.37	Dividend: 0
V	Generic Names of Three Principle products/services of the Company :		
	Item Code (ITC Code)		030613-03
	Product Description		Praw/Shrimps Frozen

**VICTORY PROJECTS LIMITED**

Regd. Office : G-1, Parameshwara Apartments, 6-3-626, Anand Nagar  
Khairatabad, Hyderabad 500 004.

**ATTENDANCE SLIP**

PLEASE SIGN THE ATTENDANCE SLIP AND HAND IT OVER AT  
THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the Sixteenth Annual General Meeting of the Company of Saturday, the  
29th day of September, 2007 at 9.30 A.M.

FOLIO NO./Client ID with DP ID:

NAME OF THE MEMBER (S) OR PROXY

Signature:

No. of Shares held:

**VICTORY PROJECTS LIMITED**

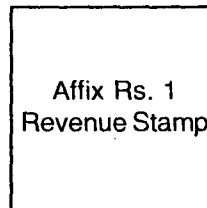
Regd. Office : G-1, Parameshwara Apartments 6-3-626, Anand Nagar,  
Khairatabad Hyderabad 500 004.

**PROXY FORM**

I/We \_\_\_\_\_ of  
\_\_\_\_\_ in the  
district \_\_\_\_\_ being a member of the above named Company. Do hereby appoint  
\_\_\_\_\_ or failing him \_\_\_\_\_ as my / our Proxy to attend and vote for me  
on my/our behalf at the Sixteenth Annual General Meeting of the Company, to be held on Saturday  
29th September, 2007 at 9.30 A.M. and at any adjournment thereof.

Signed at \_\_\_\_\_ 2007.

No. of shares held:



**Note :** The proxy must be deposited at the Registered Office of the Company not less than 48  
hours before the time for holding the meeting

**BOOK POST**

**TO,**

*If undelivered please return to :*

**VICTORY PROJECTS LIMITED**  
# 6-3-626, Anand Nagar,  
Khairatabad,  
Hyderabad - 500 004.