

SMS TECHSOFT (INDIA) LIMITED

[FORMERLY KNOWN AS AKL SOFT AND INFOSYS (INDIA) LTD.]

17TH ANNUAL REPORT

2011-2012

SMS TECHSOFT (INDIA) LIMITED

Formerly Known as AKL SOFT & INFOSYS (INDIA) LIMITED

- Regd. Office : 325, Patel Road,
Ramnagar,
Coimbatore -641009.
- Board of Directors : Mr. V. Jagadish - Managing Director
Mr. Akash Kadandale - Director
Mr. Peranaidu Siddhiah Devraj - Director
Mr. Dilipbhai J. Gajjar - Director
Mr. Dashrathkumar K. Khatri - Director
- Auditors : Ashit T. Macwan
B/14, Sthaptya, Nr. Sterling Hospital,
Gurukul, Ahmedabad-380052
- Bankers : Standard Chartered Grindlays Bank
509, D.B.Road, R.S. Puram,
Coimbatore - 641002
- Stock Exchanges wherein the shares
Of the Company are listed : 1. The Coimbatore Stock Exchange Ltd.,
Stock Exchange Buildings,
Trichy Road, Singanallur,
Coimbatore - 45.
2. The Stock Exchange , Mumbai
25th Floor, P.J.Towers,
Dalal Street, Fort,
Mumbai - 400001.
3. The Madras Stock Exchange Ltd.
Exchange Building,
Post Box No. 183,
11, Second Line Beach,
Chennai - 600001.

SMS TECHSOFT (INDIA) LIMITED
Formerly Known as AKL SOFT & INFOSYS (INDIA) LIMITED

NOTICE

Notice is hereby given that the Annual General Meeting of **SMS TECHSOFT (INDIA) LIMITED** [Formerly known as *AKL Soft & Infosys (India) Limited*] will be held at Regd. Office at 325, Patel Road, Ram Nagar, Coimbatore on 28th September, 2012 at 10.00A.M. at the registered office of the company to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31st March 2012 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Mr. Dashrathkumar Khatri, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors, and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, following resolution as ordinary resolution.

"RESOLVED THAT pursuant to Section 198, 269, 309, 310 read with schedule XIII and other applicable provisions, if any of Companies Act, 1956 and provisions of Article of Association of the Company, Mr. Jagdish Vittal, be and is hereby reappointed as the Managing Director of the Company for a period of 5 (Five) years w.e.f 01/04/2012 on such remuneration as may be decided by the Board of Directors in consultation with Shri. Jagdish Vittal."

4. To consider and if thought fit, to pass with or without modifications, following resolution as ordinary resolution.

RESOLVED THAT

- A. THAT pursuant to the provisions of section 13, 16, 94 and other applicable provisions of Companies act, 1956 or any amendment, modification or re-enactment thereof from time to time and in accordance with the provisions of articles of association of the company and subject to such approvals, consent, permissions and sanctions, if any required from any authority, the existing equity shares of the company of the face value of Rs. 10/- each be and are hereby sub divided into 10 (Ten) equity shares of Rs. 1/- each(One)and consequently, the authorized share capital of the company of Rs. 355000000/- (rupees thirty five crore fifty lacs only) be divided into 355000000(Thirty Five crore fifty five lacs only) equity shares of Rs. 1/- each(One) with effect from the Record Date to be determined by the board of directors of the company("The Board" which term shall be deemed to include any committee whether existing or to be

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constituted to execute its powers conferred by this resolution thereof) for the purpose.

B THAT pursuant to the sub division of the equity shares of the company, the issued, subscribed And paid up equity shares of the company of the face value of Rs. 10/- each as existing on the record date, shall stand sub divided into equity shares of the face value of Rs. 1/- each fully paid up with effect from the record date.

C THAT the ten equity shares of Rs. 1/- each to be allotted in lieu of equity shares of Rs. 10/- each shall be subject to terms of the memorandum and articles of association of the company and shall rank pari passu in all respects and carry the same rights as existing fully paid up equity shares of Rs. 10/- each of the company and shall be entitled to participate in full any dividend, if any, declared after the sub divided equity shares are allotted.

D. THAT the existing share certificates in relation to issued equity shares of the company held by members in physical form be cancelled and in lieu thereof fresh certificates be issued for sub divided equity shares in accordance with the provisions of the companies (Issue of shares certificates) Rules, 1960 and where members hold equity shares in dematerialized form, the sub divided equity shares in lieu of the existing equity shares be credited to the respective beneficiary accounts of the members with the respective depository participants.

E. That for the purpose of giving effect to the above resolution, the board be and is hereby authorized to do all such things, acts, deeds matters and things including but not limited to calling back the existing share certificates and if so decided to issue new share certificates without seeking old certificates, to execute all such documents, instruments, undertaking and writing as may be required in this connection, to delegate all or any of the powers vested in the board to any executives of the company and give such direction as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the board in its absolute discretion may deem necessary and its decision shall be final and binding.

5. To consider and if thought fit, to pass, with or without modifications, following resolution as ordinary resolution.

RESOLVED THAT pursuant to section 16 and other applicable provisions, if any of companies act, 1956 including any statutory modification and re enactment thereof from time to time, the first sentence in the existing clause V of Memorandum of Association of the company relating to the share capital be substituted by the following.

V. The authorized share capital of the company is Rs. 35,50,00,000/- (Rupees Thirty five crores Fifty Lacs only) divided into 35,50,00,000 equity shares of Rs.1/- (Rupees one only) each.

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6. To consider and if thought fit, to pass with or without modifications, following resolution as a special resolution.

RESOLVED THAT pursuant to section 31 and other applicable provisions of companies act, 1956 including any modification thereof from time to time, the existing article 5 of articles of association of the company be substituted by the following:

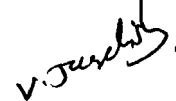
5. The authorized share capital of the company is Rs. 35,50,00,000/- (Rupees Thirty five crores Fifty Lacs only) divided into 35,50,00,000 equity shares of Rs.1/- (Rupees one only) each.

Place: Coimbatore

By order of the Board of Directors,

Date: 01/09/2012

FOR SMS TECHSOFT (INDIA) LIMITED
[Formerly known as AKL SOFT & INFOSYS (INDIA) LIMITED]



CHAIRMAN

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th Sept. 2012 to 28th Sept. 2012 (both days inclusive).
3. As a measure of economy, Annual Report will not be distributed at the Meeting. So, members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

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

Item No-4

Mr. Jagdish Vittal was appointed as Director on the Board of the Company since incorporation. He was appointed as Managing Director of the Company for a term of 5 years. Board decided to continue him as Managing Director and hence wants to re-appoint him as Managing Director for a term of 5 years w.e.f. 01/04/2012 subject to approval by share holders of the Company in General Meeting.

Remuneration payable to Mr. Jagdish Vittal as Managing Director will be decided by Board of Directors in consultation with Mr. Jagdish Vittal.

None of the directors, except Mr. Jagdish Vittal are interested or concerned in the resolution.

Item No 5.6 & 7.

With a view to enhance the shareholders wealth, easy accessibility of the equity shares of the company to small shareholders, Borad of directors at their meeting held on 1st Sept, 2012 considered and recommended the sub division of equity shares of the company form the present Rs 10/- per share to Rs. 1/- per share. It is expected that If sub divided, it will increase its affordability and provide better liquidity.

Accordingly, The authorized share capital of the company of Rs. 35, 50,00,000 will be sub divided into 35, 50,00,000 equity shares of Rs.1/- each. The issued, subscribed and paid up share capital as existing on the record date for the purpose of sub division of equity shares will be sub divided into equity shares of the face value of Rs. 1/- per share each fully paid up.

Consequent to sub division of equity shares of the company , It is necessary to amend clauses relating to share capital of the company in the memorandum and articles of association of the company. Accordingly, resolution at item no 6 & 7 ara also placed for approval of members. The consent of members is being sought in accordance with the provisions of section 13, 16 and 94 and other applicable provisions of companies act, 1956.

Directors of the company are concerned or interested in the resolution to the extent of their shareholding in the company.

Place: Coimbatore

By order of the Board of Directors,

Date: 01/09/2012

FOR SMS TECHSOFT (INDIA) LIMITED
[Formerly known as AKL SOFT & INFOSYS (INDIA) LIMITED]


CHAIRMAN

SMS TECHSOFT (INDIA) LIMITED
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DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2012.

1. **Financial Results** (Rs. in lacs)

Particulars	2011-12	2010-11
Sales	59.95	67.39
Other income	11.50	02.62
Depreciation	19.52	4.48
Profit/ Loss before Tax	01.94	4.99
Profit/Loss after Tax	01.22	4.99

During the current year your company has achieved a reasonable level of growth. We are hoping that the phenomenal growth shall be achieved during the next coming years.

2. **Directors**

Mr. Dashrathkumar Khatri, Director of the company retires at the ensuing Annual General meeting and eligible for re-appointment.

3. **Personnel**

Your directors' wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of the companies Act, 1956 has not been given, as it is not applicable.

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4. Auditors

M/s Ashit T. Macwan, Chartered Accountants, Ahmedabad, Auditor of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

5. Deposits

During the year, Company has not accepted inter corporate Deposits, which falls under Section 58A of Companies Act, 1956.

6. Energy, Technology And Foreign Exchange

The additional information required to be disclosed in terms of notification No.1029 dated 31st December, 1998 issued by the Department of Company Affairs, Ministry of Finance is not applicable.

7. Directors' Responsibility Statement

Pursuant to Section 217(2A) of Companies Act, 1956, the Directors confirm that:

- i. In the preparation of Annual Accounts, appropriate accounting standard have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of state of affairs of the company at the end of financial year ended 31st March, 2012.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on going concern basis.

8. Auditor's Qualification

Auditors have qualified their report to the members of the Company. In this connection directors of the Company have discussed the same at arm's length on the recommendation of audit committee and have imitated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

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9. Preferential issue of shares;

During the financial year, Your company has issued 30000000 shares on preferential basis to promoters/ other than promoters to raise fund for future expansion programme of the company.

10. Report on Corporate Governance

Compliance Report on Corporate Governance is a part of Annual Report is annexed herewith.

11. Acknowledgements

Your Directors wish to please on record their appreciation of the whole hearted co-operation extended to company from various departments of the central and state governments, company' bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

PLACE: COIMBATORE
DATE : 01/09/2012

FOR AND ON BEHALF OF THE BOARD

V. Suresh
CHAIRMAN

SMS TECHSOFT (INDIA) LIMITED
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ANNUAL REPORT 2011-12

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the Committee on Corporate Governance to promote and raise the standard of Corporate Governance of listed companies. The Committee has made recommendation on the composition of the board of directors, audit committee, board procedure etc.

The company has taken necessary steps to comply with the clause of 49 of the revised Listing Agreement given below is the repost of the Directors on the Corporate Governance.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholder value, keeping in mind the needs and interest of other stakeholders, in compliance thereof. The following information is placed before the shareholders.

1. BOARD OF DIRECTORS

Name of Director	Category	No. of Board Meeting	Attended	Last AGM Attendance
Shri V. Jagadish	Mg. Director	8	8	Yes
Shri Akash Kadandale	Promoter director	8	8	Yes
Shri Peranaidu Devraj	Non executive Independent Director	8	8	Yes
Shri. Dilipbhai J. Gajjar	Non Executive Independent Director	8	8	Yes
Shri. Dasharathkumar K. Khatri	Non Executive Independent Director	8	8	Yes

No Directors are having Chairmanship of more than five companies where they are director.

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Name of Director	Other Directorship (No. of Company)
Shri V. Jagadish	1
Shri Akash Kadandale	-
Shri Peranaidu Devraj	5
Shri. Dilipbhai Gajjar	1
Shri. Dashrathkumar Khatri	-

In line with the requirements of the code of the corporate governance, the board of directors comprises of three members. However, Your Company is trying its level best to accomplish the revised clause-49 of listing agreement.

Company does not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held Eight times.

A declaration signed by Shri V. Jagadish, Managing Director of the company according compliance of sub-Clause (1D) of Clause 49 of the listing Agreement is attached herewith forming part of his Annual Report.

2. AUDIT COMMITTEE

Presently the company has Five Directors. The company has independent internal Auditors who submit the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit committee consisting of followings:

- | | |
|----------------------------|------------|
| (i) Mr. V. Jagadish | - Chairman |
| (ii) Mr. Peranaidu Devraj | - Member |
| (iii) Mr. Dilipbhai Gajjar | - Member |

The scope of committee includes.

- Review of company's financial reporting process and the financial statement.
- Review internal control systems and functioning of internal audit process.
- Post audit review with statutory auditors.

During the year under review, Audit committee met four times where all the members attended meetings.

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3. REMUNERATION COMMITTEE

No remuneration was paid to directors during the year and they have waived their part of remuneration. No sitting fees are payable to any Director.

Remuneration committee consisting following:

- (i) Mr. Peranaidu Devraj -Chairman
- (ii) Mr. Akash Jagdish -Member
- (iii) Mr. Dashrathkumar Khatri -Member

4. SHAREHOLDERS' COMMITTEE

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing agreement.

The composition of shareholders cum investors' grievance committee was as follows:

- (i) Mr. Akash Kadandale - Chairman
- (ii) Mr. Peranaidu Devraj - Member

During the year, the company and their Registrar and Share Transfer Agents M/s Sharepro services India Pvt. Ltd. has not received any complaints. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI/Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s. Sharepro services India Pvt. Ltd. was appointed as common Agent for electronic as well as physical share transfer work.

5. GENERAL BODY MEETING:

Date	Type	Time	Location
30/09/2009	AGM	10.00 AM	325, Patel road, Ram nagar, Coimbatore, Tamil nadu
30/09/2000	AGM	10.00 A.M.	
30/09/2011	AGM	10.00 A.M.	

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

6. DISCLOSURES:

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors at the end of month of respective quarter. However in terms of clause 41 of Listing Agreement, the same were furnished to

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the concerned stock exchanges were also circulated in the newspaper within the stipulated time.

- (B) Company has followed accounting standards diligently.
- (C) Further, company is in the process of laying down risk assessment system.
- (D) Further, company has ~~not~~ received any funds through capital market during the year.
- (E) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.
- (F) Management discussion and analysis report is attached to and forms part of this report.
- (G) Further, Shri V. Jagadish, Managing Director of the company as certified to board of directors of the company regarding compliance of sub-clause (v) of clause 49 of listing agreement.

7. MEANS OF COMMUNICATION:

The means of communication between the Shareholders and company are transparent and investor friendly. Steps are being taken to display the corporate results on the EDIFAR & Corporate website, which is being developed.

8. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting:	Date: 28/09/2012
(Date, Time & Venue)	Time : 10.00 a.m.
	Venue: 325, Patel Road, Ram Nagar, Coimbatore
Financial Calendar	1 st April 2011 to 31 st March 2012
Date of Book Closure	From 24 th Sept.2012 to 28 th Sept. 2012 (Both days inclusive)
Dividend Payment Date	No Dividend declare

9. LISTING OF STOCK EXCHANGE:

The Bombay Stock Exchange Limited-531838
The Madras Stock Exchange Limited
The Coimbatore Stock Exchange Limited

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10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED:

MONTH	HIGH (RS.)	LOW (RS.)
April, 2011	N.A.	N.A.
May, 2011	N.A.	N.A.
June, 2011	N.A.	N.A.
July, 2011	N.A.	N.A.
August, 2011	N.A.	N.A.
September, 2011	N.A.	N.A.
October, 2011	N.A.	N.A.
November, 2011	N.A.	N.A.
December, 2011	5.00	1.00
January, 2012	4.25	1.47
February, 2012	3.99	2.47
March, 2012	3.01	2.32

12. DISTRIBUTION PATTERN AS ON THE 31ST MARCH, 2012:

	No of Shares	Percentage
Promoters and Relatives	1748000	4.99
Banks/ FII/ FI	0	0.00
Public	32846516	93.69
Body Corporate	462684	1.32
NRI	0	0.00

13. REGISTRAR AND SHARE TRANSFER AGENT:

M/s. Sharepro services India Pvt. Ltd.
13, AB Smitha Warehousing Complex, Sakinaka Telephone Lane,
Sakinaka, Andheri (East)
Mumbai - 400 072
Fax: 2859156

14. SHARE TRANSFER SYSTEM:

The share transfer work is handled by registrar and transfer agent for the company. Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.

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15. DEMATIRIALISATION OF SHARES:

Outstanding GDRs/ADRs/Warrants or any Convertibles : N.A.
instruments and conversion date and likely impact on Equity

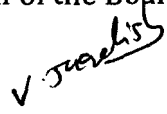
Address for Correspondence : 325, Patel Road,
Ram Nagar
Coimbatore

35014000 equity shares out of 35057200 Equity shares of the company have been dematerialized as at 31st March, 2012 representing 99.87% of total paid-up capital of the company.

For and On behalf of the Board of Directors

Date : 01/09/2012

Place : Coimbatore


Mr. V. Jagadish
Managing Director

SMS TECHSOFT (INDIA) LIMITED

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MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review :

The overall performance during the financial year 2011-12 has been satisfactory.

2. Financial Review :

Total turnover for the year ended 31st March, 2012 was Rs. 71.45 lacs. This increase was mainly on account of improvement in manufacturing process and sales promotion drive. Better working capital management was also one of the emphasis on which proper weightage was laid upon.

3. Internal Control System and their adequacy :

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

4. Business Environment :

The Performance of the company for the year under review was satisfactory.

5. Risk and Concern :

The building, plant and machinery, vehicle and stocks of the company are adequately insured.

6. Cautionary Statement :

Statements in this report on management Discussion and analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a different to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

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The Company assumes no responsibilities in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of event.


BY ORDER OF THE BOARD OF DIRECTORS

Place: Coimbatore

For **SMS TECHSOFT (INDIA) LIMITED**

Date : 01/09/2012

(Formerly Known as AKL SOFT & INFOSYS (INDIA) LTD)



Mr. V. Jagadish

Chairman

SMS TECHSOFT (INDIA) LIMITED

Formerly Known as AKL SOFT & INFOSYS (INDIA) LIMITED

CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. V. Jagadish, Managing Director of the **SMS TECHSOFT (INDIA) LIMITED** [Formerly known as AKL Soft & Infosys (India) Limited] certify that:

1. I have reviewed the financial statements for the year and that to the best of my knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. I indicate to the auditors and to the audit committee:
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year;
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

Date : 01/09/2012

Place : Coimbatore

V. Jagadish

Managing Director

SMS TECHSOFT (INDIA) LIMITED

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DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR ABOUT CORPORATE GOVERNANCE

I, Mr. V. Jagadish , Chairman & Managing Director of **SMS TECHSOFT (INDIA) LIMITED** [*Formerly known as AKL Soft & Infosys (India) Limited*] hereby confirm pursuant to clause 49(1)(d) of the listing agreement that:

1. The board of directors of SMS Techsoft (India) Limited [*Formerly known as AKL Soft & Infosys (India) Limited*] has laid down a code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st March 2012.

Place: Coimbatore

Date: 01/09/2012



Mr. V. Jagadish

Chairman & Managing Director

SMS TECHSOFT (INDIA) LIMITED

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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SMS TECHSOFT (INDIA) LIMITED
[Formerly known as AKL soft & Infosys (India) Limited]

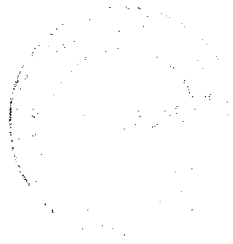
We have examined the compliance of the conditions of corporate Governance by **SMS TECHSOFT (INDIA) LIMITED** *[Formerly known as AKL Soft & Infosys (India) Limited]* for the year ended on March 31, 2012, as stipulated in Clause 49 of the listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither as 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 : Ahmedabad
Date : 01/09/2012



For, ASHIT T. MACWAN
Chartered Accountants


Ashit T. Macwan

Proprietor

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SMS TECHSOFT (INDIA) LIMITED
[Formerly known as AKL Soft & Infosys (India) Limited]
Coimbatore.

We have examined the compliance of the conditions of corporate Governance by **SMS TECHSOFT (INDIA) LIMITED** *[Formerly known as AKL Soft & Infosys (India) Limited]* for the year ended on March 31, 2012, as stipulated in Clause 49 of the listing Agreements of the said Company with the Stock Exchanges.


The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statement of the Company. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We 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 : Ahmedabad
Date : 01/09/2012



For, ASHIT T. MACWAN
Chartered Accountants


Ashit T. Macwan
Proprietor

AUDITOR'S REPORT

To
The Members of
SMS TECHSOFT (INDIA) LIMITED
[Formerly known as AKL Soft & Infosys (India) Limited]
Coimbatore

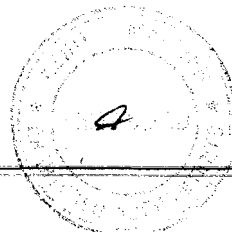
We have audited the attached Balance Sheet of **SMS TECHSOFT (INDIA) LIMITED** *[Formerly known as AKL Soft & Infosys (India) Limited]*, as at 31st March, 2012 together with the Profit & Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of the Section 227 (4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the annexure referred to above, we report that:


- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
- b. In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of books of accounts.
- c. The Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report are in agreement with the books of account;
- d. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with this report are in compliance with the accounting standards referred to in Section 211 (3C) of the companies Act, 1956.



- e. On the basis of written representations received from the directors as on 31st March, 2012 and taken on records by the Board of Directors, we report that none of the directors of the company are disqualified from being appointed as directors of the company under clause (g) of sub-section (1) of section 274 of the companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policy and Notes thereto give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India;
- (i) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2012;
- (ii) In the case of the statement of Profit & Loss, Accounts of the Loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Ahmedabad
Date : 01/09/2012

For Ashit T. Macwan
Chartered Accountants


(Ashit T. Macwan)
Proprietor
Mem No. 107891

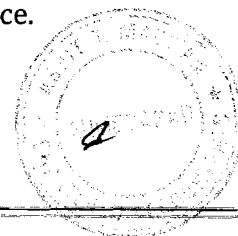
**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDITORS REPORT OF
EVEN DATE OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st
MARCH, 2012**

On the basis of such checks as we considered appropriate and the terms of the information and explanations given to us, we state that:

1. (a) The Company has maintained proper records showing full particulars including quantitative and situation of fixed assets.

(b) As explained to us fixed assets are not physically verified by the management at reasonable intervals in a phased verification program, which in our opinion is not reasonable looking to the size of the company and the nature of its business.

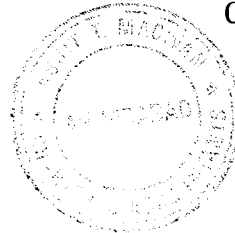
(c) In our opinion, the company has not disposed off any substantial part of its fixed assets so as to effect in it going concern.
2. The Company does not hold any stocks of finished goods, stores, spare parts, work-in-progress or raw materials. Hence the question of physical verification, reconciliation, maintenance or records, discrepancies or valuation does not arise.
3. In respect of loans, secured or unsecured, granted or taken by the company to from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (a) The company has not granted or taken any loans secured or unsecured to companies, firms or other parties cover in the register maintained under Section 301 of the Companies Act, 1956 during the year.
 - (b) In our opinion and according to the information and given to us, the rate of interest, whenever applicable and other terms and conditions in respect of loans given taken by the company are not prima facie prejudicial to the interest of the company.
 - (c) In respect of loans taken by the company, these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information and given to us, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of audit, no major weakness in internal control had come to notice.




5. (a) On the basis of the audit procedure performed by us, and according to the information and explanations given and representations given to us, we are of the opinion that, there were no transactions in which directors were interested as contemplated under Section 297 and sub-section (6) of Section 299 of the Companies Act, 1956 and so question of making entries in the register maintained under Section 301 of the said Act, does not arise.
- (b) In our opinion and according to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements exceeding the value of rupees five lacs during the year, so the question of making entries in the Register maintained u/s 301, do not arise.
6. The company has not accepted any deposit from public cover u/s 58A of the Companies Act 1956 read along with companies (Acceptance of deposits) rules 1973 and the directive issued by the Reserve Bank of India.
7. The Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the company.
9. According to the information and explanations given to us no disputed amounts payable in respect of Income Tax, Sales tax, Custom duty and Excise duty were outstanding as at 31st March, 2012 except the following:
10. The Company has accumulated losses but incurred profit both at the end of the financial year and in the immediately preceding year.
11. On the basis of the records examined by us and the information and explanation given to us, the company has not defaulted in payment of dues to financial institutions, banks or debenture holders.
12. As examined to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, or any other securities.
13. In our opinion, the company is not a chit fund or a nidhi fund / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report order 2003 is not applicable.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in respect of shares, securities debentures and other investments. According to the provision of clause 4 (xiv) of the companies (Auditor Report) order 2003 are not applicable to the company.
15. According to the information and explanation given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
16. The company has not raised any term loan during the year under review.

17. According to the information and explanation given to us and on overall examination of the financial statements of the company and after placing reliance on the reasonable assumption made by the company for classification of long term and short term usage's of funds, we are of the opinion that, prima-facie, long term funds have not been utilized for short term purposes.
18. The companies have made preferential allotment of 3,00,00,000 shares of parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not issued any money by way of public issue, during the year.
21. According to the information and explanation given to us, and to the best of our knowledge and benefit, no fraud on or by the Company, has been noticed or by the company, during the year that causes the financial statements to be materially misstated.

Place: Ahmedabad
Date: 01/09/2012



For Ashit T. Macwan
Chartered Accountants


(Ashit T. Macwan)
Proprietor
Mem No. 107891

Significant Accounting Policies

(1) Basis of Preparation of Financial Statements

- (a) The Financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these Financial Statement to comply in all material aspects with the notified Accounting Standards by Companies (Accounting Standards) Rules; 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- (b) The Company follows mercantile system of accounting, unless stated otherwise.
- (c) The Accounts are prepared on the historical basis and on the Accounting Principles of on Going Concern.
- (d) Accounting Policies not specifically referred to otherwise are consistent and in consonance with generally accepted Accounting Principles. In applying Accounting Policies, consideration has been given to Prudence, Substance over form and Materiality.
- (e) Expenses and Income considered payable and receivable respectively are generally accounted for on Accrual Basis.

(2) Change in Accounting Policy

Presentation and Disclosure of the Financial Statements during the year ended on 31st March, 2012 the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its Financial Statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements. However it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(3) Use of Estimates

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognizes in the period in which the results are known / materialized.

(4) Fixed Assets, Method of Depreciation, Amortization and Impairment

- (a) The Gross Block of Assets is shown at the Cost, which includes taxes, duties and other identifiable, direct expenses which are attributable to acquisition of fixed assets and other direct expenses and overheads incurred up to date on which such assets were first put to use less accumulated depreciation and impairment loss.



- (b) Expenditure incurred during Construction / Erection period is included under Capital Work-in-Progress and allocated to the respective Fixed Assets on Completion of Construction / Erection.
- (c) Depreciation has been provided in the books on WDV method basis at the rate and the method as specified under schedule XIV to the Companies Act, 1956.
- (d) The company evaluates impairment of losses on the Fixed Assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired, the impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds recoverable amount, which is the higher of an assets net selling price and value in use.

(6) Employee Benefits

Contribution to the Provident Fund, Pension Fund, Other Funds and Leave encashment paid during the year are being charged to Profit & Loss Account.

(7) Investments

Long Term Investments are stated at Cost. Provision for diminution in the value of Long Term Investments is made only if such a decline is other than temporary in the opinion of the Management.

(8) Accounting for Taxes on Income

Income Tax expenses comprises of Current Tax, Deferred Tax Charge or Credit. Provision for Current Tax is made with reference to Taxable Income Computed for the Accounting period, for which the Financial Statements are prepared and applying the tax rates as applicable.

(9) Provision, Contingent Liabilities and Contingent Assets

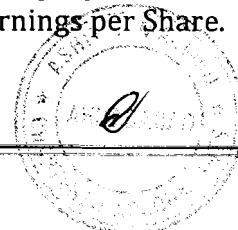
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources.

(10) Revenue Recognition

- (a) Revenue recognized when it is earned and no significant uncertainty exists as to its realization or collection and is recorded on gross value including CENVAT and VAT.
- (b) Revenue from Job work income is recognized on delivery of the products, when all significant contractual obligations have been satisfied.
- (c) Other income is accounted on accrual basis.

(11) Earnings per Share

The company reports Basic and Diluted Earnings per Share (EPS) in accordance with Accounting Standards - 20 on Earnings per Share.



Basic Earnings per share are calculated, by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the period. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period, except where the results are anti-dilutive.

(12) Segment Information

The company is primarily engaged in a single segment business of providing Information Technology related services..

(13) Leases

Land subject to operating leases is included under Fixed Assets. Rent (Lease) payment is recognized in the profit & loss account on a payment basis over the lease term.

(14) CENVAT Treatment

- (a) Revenue from operations and Cost of Materials Consumed are inclusive of Excise Duty Levied. The excise duty paid net of CENVAT claimed is accounted separately.
- (b) Unutilized balance of CENVAT claimable at the yearend has been accounted and disclosed separately under the head "Short Term Loans and Advances" and the CENVAT component at the yearend inventories has been adjusted accordingly.

a

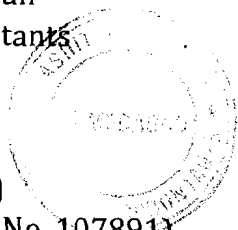
SMS TECHSOFT (INDIA) LIMITED
[Formerly known as AKL Soft & Infosys (India) Limited]

Balance Sheet as at 31st March, 2012

	Note	2011-2012	2010-2011
I. EQUITY and LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	350,572,000	50,572,000
(b) Reserves and Surplus	2	-6,883,685	-7,005,683
NON CURRENT LIABILITIES			
(a) Long Term Borrowings		0	0
(b) Other Long Term Liabilities	3	109,853	109,853
(b) Deferred Tax Liabilities (Net)		10,500	0
Current Liabilities			
(a) Short Term Borrowings		0	0
(b) Trade Payables		0	0
(c) Other Current Liabilities		0	0
(d) Short Term Provisions		63,000	0
TOTAL- I		343,871,668	43,676,170
II- ASSETS			
Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	4	317,579,953	19,532,872
(ii) Capital work in progress		2,495,538	2,495,538
(b) Non Current Investments		0	0
(c) Long Term Loans & Advances	5	17,345,048	17,345,048
(d) Other Non Current Assets	6	2,389,416	2,389,416
Current Assets			
(a) Inventories		0	0
(b) Trade Receivables		0	0
(c) Cash & Cash Equivalants	7	4,061,713	1,913,296
(d) Short Term Loans & Advances		0	0
TOTAL- II		343,871,668	43,676,170

For Ashit T. Macwan
Chartered Accountants

(Ashit T. Macwan)
Proprietor (Mem. No. 107891)
Place- Ahmedabad
Date: 1/9/2012



For SMS TECHSOFT (INDIA) LIMITED
Formerly known as AKL Soft & Infosys (India)

V. Jadhav
Director

U.S. Ambekar
Limited
Director


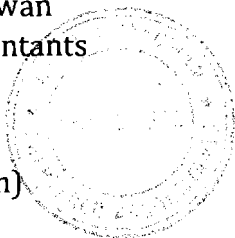
Place: Coimbatore
Date: 1/9/2012

SMS TECHSOFT (INDIA) LIMITED

Formerly known as AKL Soft & Infosys (India) Limited

Statement of Profit & Loss Account for the year ended on 31st March, 2012

	Note	2011-2012	2010-2011
TOTAL INCOME			
Revenue form Operations	8	5,995,005	6,739,347
Other Income		1,150,000	262,533
TOTAL INCOME (I +II)		7,145,005	7,001,880
EXPENSES			
(a) Cost of Materials consumed		0	0
(b) Purchase of Stock in Trade		0	0
(c) Change in inventory of finished goods, stock in trade and work in progress		0	0
(d) Employee Benefit Expenses		3,747,931	3,891,779
(e) Other Expenses	9	1,250,007	2,161,912
Finance Cost		0	0
depriciation and amortisation	4	1,952,919	448,416
TOTAL EXPENSES		6,950,857	6,502,107
Profit before Exceptional Items and Extraordinary Items and Tax (VI-VII)		194,148	499,773
Exceptional Items		0	0
Profit before Extraordinary Items & Tax (VIII-IX)		194,148	499,773
Extraordinary Items		0	0
Profit before Tax (X-XI)		194,148	499,773
Tax Expenses			
(1) Current Tax		61,650	0
(2) Deferred Tax		10,500	0
Profit for the period (XII-XIII)		121,998	499,773
Earning per Equity Shares			
(1) Basic		0	0
(2) Diluted		0	0

For Ashit T. Macwan
Chartered Accountants
(Ashit T. Macwan)
Proprietor
Mem. No. 107891
DirectorFor SMS TECHSOFT (INDIA) LIMITED
[Formerly known as AKL Soft & Infosys
(India) Limited]
DirectorPlace : Ahmedabad
Date : 1/9/2012Place : Coimbatore
Date : 1/9/2012

SMS TECHSOFT (INDIA) LIMITED
Formerly known as AKL Soft & Infosys (India) Limited

Particulars	2011-2012	2010-2011
NOTE -1.1 Share Capital	(Rs.)	(Rs.)
Authorised Share Capital 3,55,00,000 equity shares of Rs. 10/- each Authorised Share Capital increased w.e.f. 14th February, 2012	355,000,000	55,000,000
Issued, Subscribed & paid up Share Capital 3,50,57,200 equity shares of Rs. 10/- each fully paid up 3,00,00,000 Shares allotted on 13th March, 2012 on preferential basis at its face value of Rs. 10/- fully paid	350,572,000	50,572,000

NOTE -1.2 Reconciliation of Share Capital

Particulars	2011-12	2010-11
	Equity Shares of Rs. 10/- each	Equity Shares of Rs. 10/- each
Opening balance	5,057,200	5,057,200
Add: Addition during the year	30,000,000	0
Closing Balance	35,057,200	5,057,200

NOTE - 1.3 Shares in the Company held by other Company

Particulars	Equity Shares of Rs. 10/- each	Equity Shares of Rs. 10/- each
NIL	0	0

NOTE - 1.4 Shareholders holding more than 5% of shares

	2011-12	2010-11
NIL	0	0

NOTE - 1.5 Aggregate no. of shares for the last five years

Particulars	No. of Equity Shares	Amount (Rs.)
2007-08		
Authorised Share Capital (of Rs. 10/- each)	5,500,000	55,000,000
Issued, Subscribed & Paid up Capital	5,057,200	27,902,250
Equity shares of Rs. 10/- each fully paid	1,973,100	19,731,000
Equity shares of Rs. 10/- each Partly paid of Rs. 2.5	2,899,700	7,249,250
Equity shares of Rs. 10/- each partly paid of Rs. 5/-	184,400	922,000
2008-09	5,057,200	27,902,250
2009-10	5,057,200	27,902,250
2010-11	5,057,200	50,572,000
Issued, Subscribed & Paid up Capital		
5057200 equity shares of Rs. 10/- each fully paid	5,057,200	50,572,000
2011-12	35,057,200	350,572,000

NOTE -1.6 Amount of Unpaid Calls by

Particulars	2011-12	2010-11
Directors	0	0
Officers	0	0

NOTE -1.7 Terms/ rights attached to issued equity shares:

During the year, Company has issued 3,00,00,000 equity shares by way of preferential allotment at its face value of Rs. 10/- per share fully paid. Newly issued shares shall rank pari-passu with existing shares of the Company. And these shares are subjected to lock-in period as follows:

Date upto which non transferable	No. of Shares	Disti. No.s
12/3/2015	1746590	5057201-6803790
12/3/2013	28,253,410	6803791 - 35057200

NOTE -1.8 The Company has only one class of equity shares at par value of Rs. 10/- per share. Each holder of Equity shares is entitles to one vote per share.

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the share holders.

NOTE -2 Reserves & Surplus

	2011-2012	2010-2011
Capital Reserve	0	0
Capital Redemption Reserve	0	0
Security Premium Reserve	0	0
Debenture Redemption Reserve	0	0
Revaluation Reserve	0	0
Share Options Outstanding Account	0	0
Other Reserve	0	0
Surplus: Balance as per last balance sheet	-7,005,683	-6,962,215
Preliminary Expense	0	-74,137
Public Issue Expense	0	-469,104
Add: Profit for the year	121,998	499,773
TOTAL RS.	-6,883,685	-7,005,683

NOTE -3 Other Long Term Liabilities

	2011-2012	2010-2011
Sundry Creditors	109,853	109,853



NOTE - 5 Long Term Loans & Advances	2011-2012	2010-2011
Unsecured and considered doubtful Advance recoverable in cash or kind or for the value to be received	8,209,536	8,209,536
Advance towards capital items	8,946,000	8,946,000
Sundry Deposits	189,512	189,512
TOTAL RS.	17,345,048	17,345,048

NOTE - 6 Other Non Current Assets	2011-2012	2010-2011
Unsecured and considered doubtful- more than 6 months	2,389,416	2,389,416
Others	0	0
TOTAL RS.	2,389,416	2,389,416

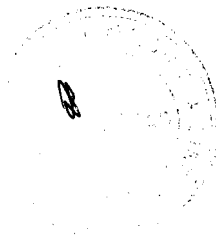
NOTE - 7 Cash & Cash Equivalentents	2011-2012	2010-2011
Cash Balance	2,956,713	1,773,394
Bank Balance	1,105,000	139,902
TOTAL RS.	4,061,713	1,913,296

NOTE 1.5

A

SCHEDULE-4 FIXED ASSETS

PARTICULATS	GROSS BLOCK				DEPRICIATION			NET BLOCK	
	Cost as on 01/04/2011	Additions	Disposal	Total 31/03/2012	Upto	For the Year	Total as on 31/03/2012	As on 31/03/2012	As on 31/03/2011
Land	1,321,604	300,000,000	0	301,321,604	0	0	0	301,321,604	1,321,604
Building	10,000,000	0	0	10,000,000	567,842	471,608	1,039,450	8,960,550	9,432,158
Plant & Machinery	7,600,000	0	0	7,600,000	3,043,404	633,822	3,677,226	3,922,774	4,556,596
Equipments	5,069,750	0	0	5,069,750	1,082,084	797,533	1,879,617	3,190,133	3,987,666
Vehicle	375,623	0	0	375,623	279,465	24,895	304,360	71,263	96,158
Computer	216,620	0	0	216,620	121,143	19,095	140,238	76,382	95,477
UPS	26,500	0	0	26,500	8,642	2,484	11,126	15,374	17,858
Air Conditioner	37,500	0	0	37,500	12,145	3,482	15,627	21,873	25,355
TOTAL	24,647,597	300,000,000	0	324,647,597	5,114,725	1,952,919	7,067,644	317,579,953	19,532,872



SMS TECHSOFT (INDIA) LIMITED
Formerly known as AKL Soft & Infosys (India) Limited

Particulars	31/03/2012	31/03/2011
NOTE - 8 Revenue from Operation		
Project Income	5,592,185	6,516,527
Other Income	402,820	222,820
TOTAL Rs.	5,995,005	6,739,347

NOTE - 9 Other Expense	31/03/2012	31/03/2011
Audit Fees	10,500	10,500
Legal Expenses	35,742	68,798
Machinery Repair Expense	22,895	58,975
Vehicle Maintenance	74,358	79,585
Vehicle running Expense	12,805	28,598
Miscellaneous Expenses	848,598	1,566,097
Power & Fuel	81,890	97,800
Telephone & Internet Expense	36,750	45,000
Printing & Stationery	38,975	48,231
Postage & Courier	10,500	45,793
Business Promotion Expense	76,994	112,535
TOTAL Rs.	1,250,007	2,161,912

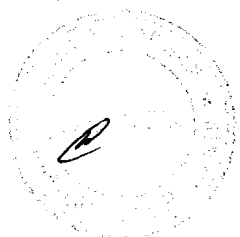
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SMS TECHSOFT (INDIA) LIMITED
Formerly known as AKL Soft & Infosys (India) Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2012

Amount in Rs.

PARTICULARS		31/03/2012	31/03/2011
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax	121998	499773
	Adjustment for		
	(a) depreciation	1952919	448416
	(b) Financial & Interest charges	0	1261580
	Operating profit before working capital changes	2074917	2209769
	Adjustment for changes in working capital		
	(c) sundry creditors	0	40095
	(d) sundry debtors	0	-469443
	(e) loan advances and current assets	0	-5185023
	Cash generated from operations	1172819	-3404602
	(f) taxes paid	-72150	0
	Cash flow from operating activities -A	3175586	-3404602
B	CASH FLOW FROM INVESTING ACTIVITIES		
	(g) purchase on fixed assets	-300000000	-15013726
	(h) capital work in progress	0	-2495538
	Net Cash used in investing activities -B	-300000000	5160486
C	CASH FLOW FROM FINANCE ACTIVITIES		
	(i) increase in capital	300000000	22669750
	(j) Financial & Interest Charges	-1036319	-1261580
	Net Cash Flow from Financing Activities -C	298963681	-1261580
	Net increase/decrease in cash & cash equivalents (A+B+C)	2139267	2045888
	Cash & Cash equivalents as at 31/03/2011	1913296	1867408
	Cash & Cash equivalents as at 31/03/2012	4052563	1913296



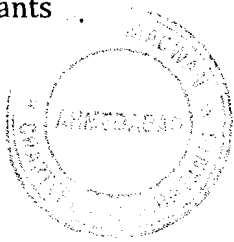
(11) The figures for the previous year have been rearranged and regrouped wherever necessary so as to confirm to the current year classification.

As per attached report on even date

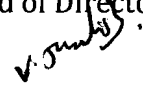
For Ashit T. Macwan
Chartered Accountants



(Ashit T. Macwan)
Proprietor
Mem No. 107891



For and on behalf of Board of Directors



Jagdish Vittal
(Managing Director)

Place : Ahmedabad
Date : 01/09/2012

SMS TECHSOFT (INDIA) LIMITED
Formerly known as AKL Soft & Infosys (India) Limited

Registered Office
325, Patel Road, Ramnagar, Coimbatore-641009, Tamilnadu

PROXY FORM

Annual General Meeting to be held on 28th September, 2012

Reg. Folio No. _____

I/We _____
of _____ in the district of _____

Being a member/members of the above named Company hereby appoint _____
of _____ in the district of _____

or failing him of _____ in the district of _____ as
my/our proxy to vote me/ us on my/ our behalf at the Annual General Meeting of
the Company to be held at 10.00 AM on 28th September, 2012 at 325, Patel Road,
Ramnagar, Coimbatore-641009, Tamilnadu.

Signed this ____ day of _____ 2012.

Signature _____ Re. 1 Revenue Stamp _____

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

SMS TECHSOFT (INDIA) LIMITED
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Registered Office
325, Patel Road, Ramnagar, Coimbatore-641009, Tamilnadu

ATTENDANCE SLIP

Annual General Meeting to be held on 28th September, 2012

Regd. Folio No. _____

I certify that I am the registered/proxy for the shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company at 10.00 AM on 28th September, 2012 at 325, Patel Road, Ramnagar, Coimbatore-641009, Tamilnadu.

Member's/Proxy name in BLOCK Letters

Member's/Proxy's Signature

Note: Please fill in this attendance slip and hand over at the ENTRANCE OF THE MEETING VENUE.