

K2 SYSTEMS LIMITED

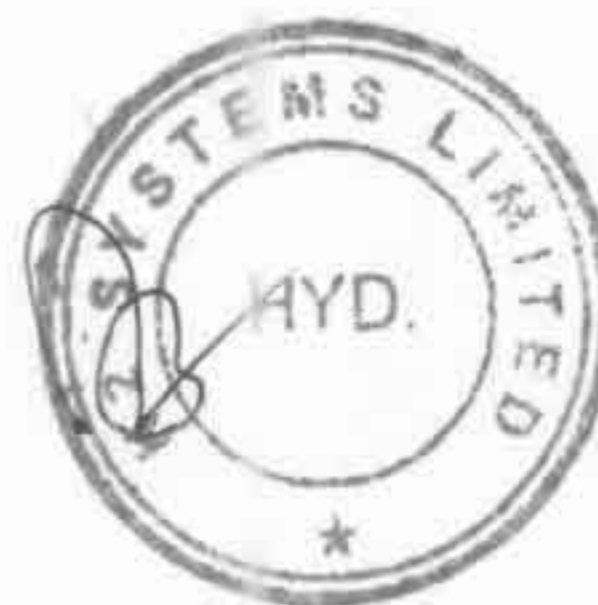
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st March, 2011

Amounts in Lakhs

| Sl. No. | Particulars | Quarter ended | | Year ended | |
|---------|--|---------------|---------------|---------------|---------------|
| | | 31.03.2011 | 31.03.2010 | 31.03.2011 | 31.03.2010 |
| | | Audited | Audited | Audited | Audited |
| | INCOME | | | | |
| 1 | Net Income from Operations | 3.99 | 12.90 | 13.58 | 43.87 |
| 2 | Other Income | - | 0.25 | - | 0.85 |
| 3 | Total Income (1+2) | 3.99 | 13.15 | 13.58 | 44.72 |
| 4 | EXPENDITURE | | | | |
| | a)(increase) or decrease in stock | - | - | - | - |
| | b) Staff Cost | 3.29 | 10.40 | 11.18 | 35.37 |
| | c) Direct Expenditure | 0.56 | 3.26 | 1.91 | 11.08 |
| | d) Other Expenditure | - | - | - | - |
| | Total Expenditure (a+b+c+d) | 3.85 | 13.66 | 13.09 | 46.45 |
| 5 | Interest | - | - | - | - |
| 6 | Depreciation | 0.20 | 0.20 | 0.80 | 0.80 |
| 7 | Profit/(Loss) before Tax(3-4-5-6) | (0.06) | (0.71) | (0.31) | (2.53) |
| 8 | Provision for Taxation | - | - | - | - |
| 9 | Provision for Deferred Taxation | - | - | - | - |
| 10 | Provision for FBT | - | - | - | - |
| 11 | Net Profit/(Loss) (7-8-9-10) | (0.06) | (0.71) | (0.31) | (2.53) |
| 12 | Paid up Equity Share Capital (Face value of Rs. 2/- each) | 394.00 | 394.00 | 394.00 | 394.00 |
| 13 | Reserves excluding Revaluation Reserve | (420.44) | (420.12) | (420.44) | (420.12) |
| 14 | Earnings Per Share(Rs.) | (0.00) | (0.02) | (0.01) | (0.06) |

Part II Select Information for the Quarter and year Ended 31/03/2011

| Sl. No. | Particulars | Quarter ended | | Year ended | |
|---------|---|------------------------------------|------------|------------|------------|
| | | 31.03.2011 | 31.03.2010 | 31.03.2011 | 31.03.2010 |
| 1 | Public Shareholding | | | | |
| | - Number of shares | 1388260 | 1388260 | 1388260 | 1388260 |
| | - Percentage of Shareholding | 35.24% | 34.73% | 35.24% | 34.73% |
| 2 | Promoter and Promoter group Shareholding(ExcludingGDRS) | | | | |
| | a) Pledged/Encumbered | | | | |
| | - Number of Shares | - | - | - | - |
| | - Percentage of shares (As a % of total shareholding of Promoer and promoter group | - | - | - | - |
| | - Percentage of shares (As a % of total share Capital of the Company | - | - | - | - |
| | b) Non-Encumbered | | | | |
| | - Number of Shares | 2551740 | 2551740 | 2551740 | 2551740 |
| | - Percentage of shares (As a % of total shareholding of Promoer and promoter group | 100.00% | 100.00% | 100.00% | 100.00% |
| | - Percentage of shares (As a % of total share Capital of the Company | 64.77% | 64.77% | 64.77% | 64.77% |
| | | | | | |
| | Particulars | The Months ended 31/03/2011 | | | |
| | INVESTOR COMPLAINTS | | | | |
| | Pending at the beginning of the quarter | NIL | NIL | NIL | NIL |
| | Received during the quarter | NIL | NIL | NIL | NIL |
| | Disposed of during the quarter | NIL | NIL | NIL | NIL |
| | Remaining unresolved at the end of the quarter | NIL | NIL | NIL | NIL |
| | Resolved Subsequently | | | | |



| Statement of Assets & Liabilities as at 31/03/2011 | | |
|--|------------------------|------------------------|
| Particulars | As at Mar' 31, 2011 | As at Mar' 31, 2010 |
| EQUITY AND LIABILITIES | Un-Audited | Audited |
| Shareholders' Funds | | |
| Share Capital | 39,400,000 | 39,400,000 |
| Reserves and Surplus | (42,044,009) | (42,012,709) |
| Preference Share Warrant | - | - |
| | (2,644,009) | (2,612,709) |
| Non - current liabilities | | |
| Long - term borrowings | 4,054,185 | 4,054,185 |
| Deferred tax liabilities (Net) | - | - |
| Long term provisions | - | - |
| | 4,054,185 | 4,054,185 |
| Current liabilities | | |
| Short - term borrowings | - | - |
| Trade Payables | 481,030 | 778,455 |
| Short - term provisions | 83,314 | 109,840 |
| | 564,344 | 888,295 |
| Total | 1,974,520 | 2,329,771 |
| ASSETS | | |
| Non-current assets | | |
| Fixed assets | | |
| Gross Block | 4,522,893 | 4,522,893 |
| Less : Accumulated depreciation / amortization | 3,869,173 | 3,789,253 |
| Net block | 653,720 | 733,640 |
| Capital work- in- progress | - | - |
| | 653,720 | 733,640 |
| Deferred tax assets (Net) | | |
| Long - term loans and advances | - | - |
| Non-current investments | - | - |
| Other Non- Current Assets | - | - |
| | - | - |
| Current assets | | |
| Inventories | - | - |
| Trade receivables | 40,391 | 145,491 |
| Cash and cash equivalents | 6,812 | 255,060 |
| Short - term loans and advances | 1,273,597 | 1,195,580 |
| Other current assets | | - |
| | 1,320,800 | 1,596,131 |
| Total | 1,974,520 | 2,329,771 |

NOTE:

- 1 The above results were reviewed by the Audit Committee of Directors and taken on record by the Board of Directors at their meeting held on 30.04.2011
- 2 The Accounting Standard 17 relating to Segment wise reporting is not applicable as the company operates in only one segment.
- 3 There were no complaints from investors outstanding at the beginning of the Quarter ended 31st March 2011 and the Company has not received any complaints during the quarter ended 31st March 2011
- 4 Previous period / year figures have been regrouped wherever necessary.

Station: HYDERABAD
Date: 30.04.2011

For K2 SYSTEMS LIMITED



Director