



KALANI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
PALSOFT INFOSYSTEMS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PALSOFT INFOSYSTEMS LIMITED, ("the company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (attached as 1 & 2).

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of the company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatements.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends upon auditor's judgement, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose



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of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in case of the Cash Flow Statements, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, We give in the Annexure a statements on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all 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 account as required by Law have been kept by the Company so far as appears from our examinations of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statements dealt with by this Report are in agreement with the books of account;



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- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry Of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **KALANI & COMPANY**
Chartered Accountants
FRN- 000722C

[**Deepak Khandelwal**]
Partner
M. No. 409520

Place of Signature: Jaipur
Date: 30.05.2014



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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Statement referred to in paragraph 1 of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of the **PALSOFT INFOSYSTEMS LIMITED** on the accounts for the year ended 31st March, 2014.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies have been noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year.

(ii) (a), (b) and (c)

There was no inventory at the year-end. Therefore, the provisions of clause 4 (ii) (a) to 4(ii) (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(iii) (a) The company has not granted any loans to parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b) to (d) are not applicable

(e), (f) and (g)

The company has not taken loan from parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provision of clause 4(iii)(e) to 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of fixed assets, other assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

(v) (a) According to information and explanations given to us, all the transactions need to be entered into a register in pursuance of Section 301 of the Act are entered in the register maintained.

(b) In our opinion and according to the information and explanations given to us, the transactions made 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 lacs 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, but few transactions could not be compared as the material supplied/services rendered to such parties are either in short supply or not supplied/services rendered by any other party. (Sale of software)



- (vi) The company has not accepted deposits referred under section 58A of Companies Act, 1956. Accordingly provisions of section 58A are not applicable.
- (vii) The company has negative net worth at the commencement of the financial year and the company has not an average annual turnover exceeding Rs. 5 crores for a period of three consecutive financial years immediately preceding financial year 2012-13, therefore the company is not required of an internal audit system.
- (viii) According to information and explanation given to us, prime facie the company has maintained the cost records in respect of the products/activities of the company, as prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956. However, we have not carried examinations in detail.
- (ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty and Excise Duty were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable except in case of Sales Tax and Surcharge on Sales Tax amounting to Rs. 25,62,228/- and Statutory dues as per Section 205C of the Companies Act 1956, for transfer of unpaid application money to Investor Education and Protection Fund amounting to Rs. 22,622/- are not paid to the appropriate authority.
- (b) According to the information and explanations given to us, there are no dues of income tax, custom duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The company has been registered for a period not less than five years and its accumulated losses at the end of the financial year are more than fifty percent of its net worth. Company has not incurred any cash loss during the Financial Year 2013-14 as well as 2012-13.
- (xi) The company has not taken any loan from financial institutions or banks, therefore, the provisions of clause 4 (xi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xii) According to the information and explanations given to us, 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) The company is not a chit fund or a nidhi/mutual benefit or a society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



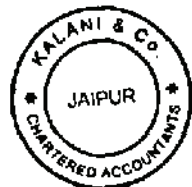
- (xiv) The company is not dealing in or trading in the shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not taken any term loans. Therefore, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvii) According to the Cash Flow Statement and records examined by us and information and explanations given to us and on overall examination of Balance Sheet, we report that funds raised on short-term basis have not been used for long-term investments.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 and hence the question of price at which shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) The company has not issued debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For KALANI & COMPANY,
Chartered Accountants
FRN-000722C

Deepak

[Deepak Khandelwal]
Partner
M. No. 409520

Place of Signature: Jaipur
Date: 30.05.2014



AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31.03.2014

(RS. IN LACS)

PART - I

S.N o.	Particulars	Quarter ended			Year ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
1(a)	Net Sales/Income from Operations	8.60	11.00	8.50	32.65	28.50
(b)	Other Operating Income	0.00	0.00	0.00	0.00	0.00
	Total Income	8.60	11.00	8.50	32.65	28.50
2	Expenditure					
a)	Increase/Decrease in stock in trade	0.00	0.00	0.00	0.00	0.00
b)	Consumption of Raw Material	0.00	0.00	0.00	0.00	0.00
c)	Purchase of Traded Goods	0.00	0.00	0.00	0.00	0.00
d)	Employee Cost	7.98	7.12	6.39	27.79	24.46
e)	Depreciation	0.04	0.04	0.04	0.14	0.15
f)	Other Expenditure	0.58	1.53	0.79	4.27	3.99
	Total Expenditure	8.60	8.69	7.21	32.20	28.89
3	Profit (+)/Loss (-) from operations before Other Income, Interest & Exceptional Items (1-2)	0.00	2.31	1.29	0.45	-0.08
4	Other Income		0.00	-0.50	0.00	0.01
5	Profit (+)/Loss (-) from operations before interest & Exceptional Items (3+4)	0.00	2.31	0.79	0.45	-0.08
6	Interest	0.06	0.01	0.03	0.15	0.06
7	Profit (+)/Loss (-) from operations after Interest but before Exceptional Items (5-6)	-0.06	2.30	0.76	0.30	-0.14
8	Exceptional Items	0.00	0.00	-0.53	0.00	-0.53
9	Profit (+)/Loss (-) from ordinary Activities before Tax (7-8)	-0.06	2.30	1.29	0.30	0.39
10	Tax Expenses / FBT	0.00	0.00	0.00	0.00	0.00
11	Profit (+)/Loss (-) from ordinary Activities After Tax (9-10)	-0.06	2.30	1.29	0.30	0.39
12	Extra-ordinary Items (Net of Tax expenses)	0.00	0.00	0.00	0.00	0.00
13	Net Profit (+)/Loss (-) (11-12)	-0.06	2.30	1.29	0.30	0.39
14	Paid-up equity share capital (Face Value Rs 10/- each)	300.31	300.31	300.31	300.31	300.31
15	Reserves excluding revaluation reserves (as per Balance-sheet of previous accounting year)				-359.65	-359.95
16	Earning per Share (Not Annualised)					
a)	Basic & Diluted EPS before Extra-ordinary items	-0.00	0.08	0.04	0.01	0.01
b)	Basic & Diluted EPS after Extra-ordinary items	-0.00	0.08	0.04	0.01	0.01



For PALSOFT INFOSYSTEMS LTD.

Anubha
DIRECTOR

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31.03.2014

PART - II

S.N o.	Particulars	Quarter ended			Year ended	
		31.03.2014 (Un-audited)	31.12.2013 (Un-audited)	31.03.2013 (Un-audited)	31.03.2014 (Audited)	31.03.2013 (Audited)
A	Particulars of Shareholding					
1	Public Shareholding					
	Number of shares	1286397	1286520	1289620	1286397	1289620
	% age of shareholding	42.84%	42.84%	42.94%	42.84%	42.94%
2	Promoters and promoter group shareholding					
a)	Pledged/Encumbered					
	- No. of shares	0	0	0	0	0
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total share capital of the Company)	0.00%	0.00%	0.00%	0.00%	0.00%
b)	Non-Encumbered					
	- No. of shares	1716703	1716580	1713480	1716703	1713480
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	57.16%	57.16%	57.06%	57.16%	57.06%

Particulars

B	Investor Complaints	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	2
	Disposed Off during the quarter	2
	Remaining unsolved at the end of the quarter	Nil

Notes:

1	The above results were reviewed by Audit Committee on 30 th May, 2014 and have been taken on record by the Board of Directors at its meeting held on 30th May, 2014.
2	The figures have been regrouped wherever necessary.
3	The Company operates into single business segment, namely software business. Therefore, the information pursuant to AS - 17 is not applicable.

PLACE: JAIPUR
DATED: 30.05.2014



For Palsoft Infosystems Limited

Anubha Gupta
(Anubha Gupta)
Whole-time Director
DIN : 02914072

PALSOFT INFOSYSTEMS LIMITED JAIPUR
STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2014
CIN : L72200RJ1994PLC008112

(Amount in Rs.)

	Particulars	AS AT 31ST MARCH 2014	AS AT 31ST MARCH 2013
I	Equity and Liabilities		
1	Shareholders' Funds		
a	Share Capital	300,31,000	300,31,000
b	Reserves and Surplus	(359,64,851)	(359,95,071)
c	Money received against share warrants		
	Sub-Total Shareholders' Funds	(59,33,851)	(59,64,071)
2	Share Application Money pending allotment		
3	Non-Current Liabilities		
a	Long-term borrowings		
b	Deferred tax liabilities (Net)		
c	Other Long- term liabilities		
d	Long-term provisions		
	Sub-Total Non-Current Liabilities		
4	Current Liabilities		
a	Short-term borrowings		
b	Trade payables		
c	Other current liabilities	105,81,964	105,51,256
d	Short-term provisions		
	Sub-Total Current Liabilities	105,81,964	105,51,256
	Total - Equity and Liabilities	46,48,113	45,87,185
II	Assets		
1	Non-current assets		
a	Fixed Assets		
i	Tangible assets	98,860	84,824
ii	Intangible assets		
iii	Capital work-in-progress		
iv	Intangible assets under development		
b	Non-current investments	88,725	88,725
c	Deferred tax assets (Net)		
d	long-term loans and advances	1,19,200	1,19,200
e	Other non-current assets		
	Sub-Total Non-Current Assets	3,06,785	2,92,749
2	Current Assets		
a	Current investments		
b	Inventories		
c	Trade receivables	33,500	-
d	Cash and Bank Balances	64,470	46,802
e	short-term loans and advances	37,43,358	37,47,634
f	Other current assets	5,00,000	5,00,000
	Sub-Total Current Assets	43,41,328	42,94,436
	Total - ASSETS	46,48,113	45,87,185

PLACE: JAIPUR
 DATED: 30.06.2014

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For Palsoft Infosystems Limited

Anubha
 (Anubha Gupta)
 Whole-time Director
 DIN : 02914072

