Palsoft

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18th Annual Report 2010-2011

PALSOFT INFOSYSTEMS LIMITED

Palsoft Infosystems Limited

18th Annual Report 2010-2011

BOARD OF DIRECTORS :

Shri Amit Mahipal Gupta
Managing Director

Smt. Anubha Gupta
Whole-time Director

Shri Naveen Gupta
Director

Shri Naresh Kumar Gupta
Director

Shri Rajendra Prasad Daga
Director

CONTENTS

Company Secretary
Miss Payal Gupta

Bankers

HDFC Bank
Ashok Marg, C-Scheme
Jaipur

Auditors
M/s. Kalani & Company
Chartered Accountants
S-23A, Mangal Marg
Bapu Nagar
Jaipur

Registered Office & Works
D-469, Road No. 9-A,
Vishwakarma Industrial Area,
Jaipur - 302 013 (Rajasthan)

Registrar & Share Transfer Agent
MCS Limited
F-65, Okhla Industrial Area
Phase-I, New Delhi-110020
E-mail : admin@mcsdel.com

Palsoft Infosystems Limited

NOTICE

Notice is hereby given that the Annual General Meeting of the members of PALSOFT INFOSYSTEMS LIMITED will be held at D-469, Road No. 9A, V.K.I. Area, Jaipur (Rajasthan) on Wednesday, September 28, 2011 at 4.00 P.M to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the financial year ended on that date and the reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Shri Naresh Kumar Gupta who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint M/s Kalani & Co., Chartered Accountants bearing FRN – 000722C as the Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the board of directors to fix their remuneration.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreement with Stock Exchanges, Securities and Exchange Board of India (Delisting of Equity Shares) Guidelines, 2009, as amended from time to time, (hereinafter referred to as the "Delisting Guidelines") and all other applicable laws, rules, regulations and guidelines and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approvals, consent, permission or sanction, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include Managing Director or any Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company, be and is hereby accorded to the Board for voluntary delisting of the equity shares of the Company from Jaipur Stock Exchange Limited, Jaipur and Delhi Stock Exchange Limited, New Delhi."

By order of the Board
Sd/-
(Payal Gupta)
Company Secretary

PLACE : JAIPUR
DATE : 11.08.2011

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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.**
2. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section

173 (2) of the Companies Act, 1956 in respect of the special business is annexed hereto.

4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days between 10.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.

5. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, September 23, 2011 to Wednesday, September 28, 2011 (Both days inclusive).

6. Members requiring information on the accounts are requested to write to the Company at least seven days before the date of the meeting to enable the company to furnish the information.

7. Members are requested to bring their copies of Annual Report at the Meeting.

8. Members are requested to lodge the instrument of transfer/ transmission of shares at the registered office of the company or at the office of Registrars & Transfer Agents viz. **M/s MCS Limited, Sri Venkatesh Bhavan, F – 65, Okhla Industrial Area Phase – I, New Delhi – 110 020** and to inform the company/ Registrars & Transfer Agents, any change in their addresses immediately so as to enable the Company to dispatch any future communication at their correct addresses.

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

ITEM NO. 4

Regulation 6 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2009 permits voluntary de-listing of securities from one or more Stock Exchanges without giving any exit opportunity, if the company's shares continue to be listed at the Stock Exchange having nationwide terminals i.e. BSE.

The approval of the members is sought to be obtained for de-listing of shares of the Company from Jaipur Stock Exchange Limited, Jaipur and Delhi Stock Exchange Limited, New Delhi in view of negligible trading activity in the shares of the company at the said stock exchange. However, the Company's equity shares shall continue to be listed on the Bombay Stock Exchange (BSE), Mumbai. The proposed delisting would provide less paper work, administrative convenience, and savings in cost. As a part of its cost reduction measures, the Company has proposed this resolution.

The Company is issuing Special Notice of the proposed enabling resolution in one National Newspaper on all India basis mentioning that the proposed delisting of the Company's Securities from the Stock Exchange, as and when the same takes place, will not adversely affect the investors and that the Company's Securities will continue to be listed on BSE. The delisting will take effect after all approvals, permissions and sanctions received. The exact date on which delisting will take effect will be suitably notified at that time.

The Board recommends the resolution for approval of members.

None of the Directors of the Company is in any way, concerned or interested in the resolution except to the extent of their shareholding in the company, if any.

By order of the Board
Sd/-
(Payal Gupta)
Company Secretary

PLACE : JAIPUR
DATE : 11.08.2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Structure and Development

The underlying theme of the year 2010 has been recovery of the Global economy from the unprecedented economic crisis of 2007-09. World GDP, which has declined by 0.6 percent in 2009, grew at 5 percent in 2010 and is expected to grow at 8.6 percent in 2010-11 as compared to 8 percent in 2009-10.

The Indian IT-BPO Industry has also witnessed robust recovery in 2010-11. The revenue aggregate of IT-BPO industry is expected to grow by 19.2 percent and reach US $ 88.1 billion in 2010-11 as compared to US $ 73.9 billion in 2009-10.

The Indian software and services exports including ITeS-BPO exports is estimated at US$ 59 billion in 2010-11, as compared to US$ 50 billion in 2009-10, an increase of 18%. The IT services exports is estimated to be US$ 33.5 billion in 2010-11 as compared to US$ 27.3 billion in 2009-10, showing a growth of 14.5%.

The Indian domestic IT market continues to grow in 2010-11. The revenue from the domestic market (IT services, software products and BPO) is expected to grow from US $ 14.2 billion in 2009-10 to US $17.1 billion in the year 2010-11, an anticipated growth of about 20.4%. IT services is one of the fastest growing segment in the Indian domestic IT market. It is driven by localized strategies designed by service providers.

India remains an integral part of the global sourcing strategy, and registered a growth rate twice that of other competitors in the global sourcing arena, to account for approximately 55% of the addressable global sourcing market in 2010, up from 51% in 2009. It is estimated that India-based resources account for about 60-70% of the offshore delivery capacities available across the leading multinational IT-BPO players.

This phenomenal growth of the Indian IT-ITeS sector had a multiplier effect on the Indian economy as a whole. The sector has grown to become the biggest employment generator and has spawned the mushrooming of several ancillary industries such as transportation, real estate and catering.

(Source: Information Technology Annual Report 2010-11 Published by Ministry of Communication & Information Technology)

Opportunities & Threats

Availability of quality talent at cost effective rates, rapidly developing infrastructure, an enabling innovation environment, supportive regulatory policies, and a positive overall business environment — are all central pillars of India's value proposition. Availability of skilled talent has been India's foremost attraction as a global sourcing country. Also, the industry has been extremely quality focused, with India based centers accounting for the largest number of quality certifications achieved by any country. These are the growth drivers of the IT sector. The industry has been enhancing its abilities to transform client businesses through increased R&D spend, focus on IP creation, development of new technologies incorporating

process and business model innovation and increased domain expertise. Due to cost effectiveness, companies have started using ERP and other software packages to cater to their informational requirements relating to their production management, inventory management, human resource management, accounting etc., and thus increase the value for its customers. There is a demand growth for more customer facing applications like SCM, CRM, and BI applications.

Still there are lots of things that we need to be concerned about. Along with India, Israel and Ireland carry most of the benefits for development of IT Sector. These countries are now taking up the market share and posing threat to Indian IT sector. Moreover, software sector of Korea, Taiwan, Philippines challenges India. China is gradually emerging as a tough competitor in offshore IT services. The fluctuating exchange rate brings volatility in operating margins for IT sector. As the Companies started their operations in view of cost effectiveness, there is tremendous increase in competition. Financial Constraints also poses a challenge for the operations of the Company.

Outlook

NASSCOM Strategic review states that the IT-BPO sector has become one of the most significant growth catalysts for the Indian economy. The IT-BPO industry has played a key role in putting India on the world Map. The Industry has attracted more than 10 percent of total FDI flowing into India. The spectacular growth performance in the IT-BPO industry in the last decade has helped industry contribute substantially to India's GDP. In 2010-11, the IT-BPO industry's contribution to GDP is estimated to be 6.4 percent as compared to 6.2 percent in 2009-10. The IT-BPO industry has enormous potential to grow in the years to come. By 2015, the aggregate revenue is expected to reach US $ 130 billion, a CAGR of about 14 percent from the year 2010-11 and contribute about 7 percent to India's GDP. In addition to fuelling India's economy, this industry is also positively influencing lives of its people through an active direct and indirect contribution to the various socio-economic parameters such as employment, standard of living and diversity among others.

Product Development and R& D

The company has made improvements in the Customized Software (ERP) and also introduced new modules in the ERP software especially designed for Automotive Sector.

The Company was not in the position to carry out Product Development and Market Research & other Developmental activities for new business activities due to its own financial limitations. However, the Company plans to foray into the development of ERP software and other high value added activities in due course.

Quality

The Company is maintaining work standards and quality of work for various stages of its activity. It proposes to benchmark its products with SMB (Small Medium Business) industry.

Exports

The Company had not earned income by way of exports during the year under review.

Palsoft Infosystems Limited

Financial Review and Analysis

(Rs.in Lacs)

Particulars	2010-11	2009-10	% change
Total Income	**65.16**	71.73	(9.16)
Profit/(Loss) before Depreciation & Provisions	**10.39**	(53.34)	
Depreciation	**0.10**	0.08	
Provisions made	**73.40**	0.00	
Provisions write back	**0.00**	23.66	
Net Profit/(Loss)	**(63.11)**	(29.76)	
Balance brought forward from the previous year	**(580.97)**	(551.21)	
Balance carried forward to the Balance-sheet	**(644.08)**	(580.97)	

Analysis of Financial Results

During the year under review, the Company earned total income of Rs. 65.16 Lacs as compared to 71.73 Lacs during the year 2009-10. Further, the Net Loss for the year under review was Rs. 63.11 Lacs as compared to a loss of Rs. 29.76 Lacs during the year 2009-10 due to provision for diminution in value of investments and provision for doubtful debts.

Internal Control Systems

The Company has adequate internal control systems commensurate with the size and activities of the organization.

Human Resource Policy

The Company has revamped its HR policy in line with current trends and the process of recruitment has already commenced.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's expectations or predictions may be 'forward looking' within the meaning of applicable laws or regulations. Actual results may differ materially from those expressed or implied.

CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance:

Since the applicability of Clause 49 of the Listing Agreement with the Stock Exchange(s), the Company believes and practices good corporate governance. The Board of Directors believes in providing complete and full disclosure relating to all the conditions as specified under the said Clause 49. It also creates an environment to enable the management to conduct the business in an efficient and effective manner and meeting its obligations to its stakeholders.

2. Board of Directors

The Board of Directors is the apex body which monitors the overall functioning of the Company. It defines the Company's policies and oversees its implementation. The Board has constituted various committees to facilitate the decision making process in an informed and efficient manner.

Composition of the Board

As on March 31, 2011, the Palsoft Board consisted of two executive directors and three non-executive Directors, all of them being independent directors. The details of Board Composition and categories of Directors as on March 31, 2011 is given hereunder :

Sr. No.	Name of Director	Category	Attendance at Board & AGM		Outside Directorships & Committee Positions (as on 31.03.2011)			
			Board Meetings attended	Last AGM	Directorships		Committee Position	
					Member	Chairman	Member	Chairman
1	Shri Amit Mahipal Gupta	Promoter and Managing Director	4	Yes	1	Nil	Nil	Nil
2	Mrs. Anubha Gupta	Promoter and Whole-time Director	5	Yes	Nil	N.A.	2	Nil
3	Shri Naveen Gupta	Independent Director	5	Yes	2	N.A.	3	Nil
4	Shri Naresh Kumar Gupta	Independent Director	5	Yes	Nil	N.A.	3	3
5	Shri Rajendra Prasad Daga	Independent Director	5	Yes	Nil	N.A.	1	Nil

Only membership in Audit Committee, Remuneration Committee and Shareholders' Grievance Committee included.

Board Meetings

In terms of Section 285 of the Companies Act, 1956, at least four Board meetings must be held in a calendar year and once in every quarter. Going further, in terms of the Listing Agreement, meetings of Board of Directors are held at least four times in a year with a maximum time gap of three months between any two meetings. All information as required to be made available to the Board is provided to the members of the Board well in time for discussions in the Board Meetings for taking corrective action, if any.

During the financial year ended on March 31, 2011, the Board of Directors met five times. The maximum time gap between any two meetings was 92 days.

The details of the Board Meetings held during the year ended on March 31, 2011 are May 08, 2010, May 29, 2010, August 14, 2010, November 13, 2010, and February 14, 2011.

None of the director on the Board is member on more than 10 Committees or Chairman of more than 5 committees across the companies in which he is a director. All the directors have made requisite disclosure regarding directorship/ Committee position occupied by them in other companies.

Code of Conduct:

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and the Senior Management ("the code").

The Code is applicable to all the Executives and Non-executive Directors and also to the Senior Management. The standard of business conduct, ethics and governance, centers around its following pattern:

"The Board of Directors and senior management of the Company are committed and responsible for setting of standards of conduct contained in the code for updating these standards to ensure their continuing relevance, effectiveness and responsiveness to the needs of shareholders and stakeholders to reflect corporate, legal and regulatory developments. The code has been distributed to all the members of the Board of Directors and also the senior management and they have affirmed the compliance of the same. All the members of the Board and Senior Management personnel have affirmed compliance of the respective Code of Conduct on Annual Basis. The required Declaration to Compliance is given at the end of this report.

Appointment/Re-appointment of Directors

The Director who retires by rotation and who is eligible for re-appointment is as under:

Shri Naresh Kumar Gupta (Director)

Shri Naresh Kumar Gupta, Post Graduate in Business Management, has twenty six rich years of experience in the field of lamps and lightning business and has a functional expertise in marketing. He is partner in Luxpal Miniature Bulb Industries and also Chairman of the Audit Committee, Investors' Grievance Committee and Remuneration Committee.

3. Audit Committee

In terms of Clause 49 II of the Listing Agreement, the provisions pertaining to Audit Committee, its composition, details of meetings held, etc. is as under :

Name	Terms of reference
Shri Naresh Kumar Gupta (Chairman) Shri Naveen Gupta (Member) Mrs. Anubha Gupta (Member) Ms. Payal Gupta (Secretary)	- Oversight of financial reporting system of the company; - Recommending appointment/ removal of auditors, fixing the fee & approval of payment for other services - Reviewing with management annual financial statements before submission to the Board including qualifications in draft auditors' report; - Reviewing with management, external & internal auditors the adequacy of internal control system; - Reviewing the adequacy of internal audit function; - Reviewing findings of any internal investigations into suspected fraud, irregularity or failure of internal control system.

The Audit Committee was reconstituted during the year under review as Ms. Payal Gupta was inducted as Secretary to the Audit Committee with effect from March 07, 2011.

Four meetings of the Audit Committee took place during the accounting year ended on March 31, 2011, i.e. on May 29, 2010, August 14, 2010, November 13, 2010, and February 14, 2011. All the three members were present at the meetings held on the abovementioned dates.

The role of the Audit Committee is to monitor and provide effective supervision of the Company's financial reporting process with a view to ensure that the financial statements are accurate, sufficient and credible.

4. Remuneration Committee (non-mandatory)

The Company has already constituted Remuneration Committee. The broad terms of reference of the Remuneration Committee are as follows:

a. Recommend to the Board remuneration to be paid to the Managing Director and Whole-time Directors.

b. To review and grant annual increments to Managing Directors and Whole-time Director

c. To suitably suggest changes based on changes in Schedule XIII of the Companies Act, 1956 and/ or any amendment/modifications that may be made by the Central Government from time to time.

d. To do all such acts, deeds, things and execute all such documents, instruments and writings as may be considered necessary, expedient or desirable on the subject.

The remuneration policy of the Company is to remain competitive in the industry and to attract and retain talent and appropriately reward them on their contribution. The annual package of employees is decided on the basis of performance of the Company and also the individual performance measured against the Key Performance Indicators, which are in align to the Company's overall objectives.

Remuneration Committee comprises of the following directors:

Name of Members	Designation	Category
Shri Naresh Kumar Gupta	Chairman	Independent, Non-Executive
Shri Naveen Gupta	Member	Independent, Non-Executive
Shri Rajendra Prasad Daga	Member	Independent, Non-Executive

No meeting of remuneration committee was held during the year under review.

The details of remuneration paid to the Directors in the whole-time employment with the company during the financial year ended on March 31, 2011 are given hereunder :

(Rs. in Lacs)

Particulars	Amit Mahipal Gupta	Anubha Gupta
Salary	6.12	3.60
Benefits: Allowances & Perquisites	0.67	0.06
Bonus	0.00	0.00
Pension	0.00	0.00
Fixed Component Contribution to PF, Superannuation & Gratuity Fund	0.00	0.00
Performance linked Incentive	Nil	Nil
Commission	Nil	Nil
Service Agreement	3 years	3 years
Notice Period	1 month	1 month
Severance Fee	Nil	Nil
Stock Option	Nil	Nil

Details of shareholding of directors as on March 31, 2011

Sl. No.	Director	No. of Equity shares held	% Holding
1.	Shri Amit Mahipal Gupta	62000	2.06
2.	Smt. Anubha Gupta	87650	2.92
3.	Shri Naveen Gupta	Nil	Nil
4	Shri Naresh Kumar Gupta	Nil	Nil
5.	Shri Rajendra Prasad Daga	Nil	Nil

No convertible instruments/employee stock options have been granted by the Company to the non-executive directors of the Company.

5. Investors' Grievance Committee

The Company has set up an Investors' Grievance Committee to look into the complaints relating to non-receipt of dividend warrants, annual report, transfer/transmission of shares etc. as required in terms of clause 49 of the Listing Agreement. The details of members of the Committee as well as status of investor complaints received during the year ended on March 31, 2011 are as follows:

Name of Members	No. of complaints			
	Pending at the beginning of the year	Received	Resolved	Pending at the end
Shri Naresh Kumar Gupta (Chairman) Shri Naveen Gupta (Member) Mrs. Anubha Gupta (Member) Ms. Payal Gupta (Seceretary & Compliance Officer Ex-officio)	0	0	0	0

The members of Investors' Grievance Committee met four times during the year ended on March 31, 2011. The meetings were held on May 29, 2010, August 14, 2010, November 13, 2010, and February 14, 2011. All the members were present at the meetings of Investors' Grievance Committee held on above dates.

6. General Body Meetings

i. Annual General Meetings

a. Location, Time & Date where last three Annual General Meetings were held are given below :

Year	Location	Date	Time
2007-2008	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 30, 2008	3.00 P.M.
2008-2009	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 30, 2009	3.00 P.M.
2009-2010	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 29, 2010	3.00 P.M.

No Extra-ordinary General Meeting of shareholders was held during the year.

No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

b. The following Special Resolutions were passed at the previous three Annual General Meetings :

1. AGM held on September 29, 2010 :-

i) Authorising Board of Directors to apply for delisting of shares of the company from any one or more of the 2 stock exchanges.

2. AGM held on September 30, 2009 : -

i) Authorising Board of Directors to apply for delisting of shares of the company from Jaipur Stock Exchange Limited.

3. AGM held on September 30, 2008 : -

(i) Authorising Board of Directors to apply for delisting of shares of the company from Jaipur Stock Exchange Limited;

(ii) Authoring Board of Directors to make investment upto Rs.500 Lacs, notwithstanding that such investment shall be in excess of the limits prescribed under Section 372A of the Companies Act, 1956.

The special resolutions moved at all the above meetings were passed on a show of hands by the shareholders present at the meeting.

RESOLUTION REGARDING BUSINESS SUGGESTED FOR DECISION BY POSTAL BALLOT UNDER CLAUSE 49 OF THE LISTING AGREEMENT

No postal ballot was conducted for voting during the year 2010-11.

c. Management Discussion & Analysis Report

The Management Discussion & Analysis Report for the year ended 31st March, 2011 is published separately in this Report.

d. Other Disclosures

The Company has entered into certain transactions with its promoters, directors and the management related parties in due course of business, but these related transactions do not have any potential conflict with the interests of the Company at large.

There has been delay on the part of Company in paying annual listing fee to Stock Exchanges where the securities of the Company are listed. Due to the delay in payment of Annual Listing Fee, the shares of the Company were suspended from trading at The Stock Exchange, Mumbai with effect from 3rd February 2003.

e. Means of Communication

Quarterly results published in which newspapers	'Financial Express' (English) 'Sandhya Jyoti' (Hindi)
Whether MD & A is a part of Annual Report	Yes
E-mail for Investor Grievances	palsoftinfo@gmail.com
Website of the Company	www.palsoft.in

f. General Shareholders' information

(i) Annual General Meeting

Date and Time : Wednesday, September 28 2011 at 4.00 p.m.

Venue : D-469, Road No. 9A, V.K.I. Area, Jaipur - 302013

(ii) Financial year :

The Company follows April - March as its financial year. The results for every quarter beginning from April will be declared within the time period prescribed under the Listing Agreement.

(iii) Financial Calendar for the year 2011-12 (Tentative)

S.N.	Activity	Time schedule
1	Results for the first quarter ending June 30, 2011	By mid of August, 2011
2	Results for the second quarter ending September 30, 2011	By mid of November, 2011
3	Results for the third quarter ending December 31, 2011	By mid of February, 2012
4	Audited Results for the year ending March 31, 2012	By end of May, 2012

(iv) Book Closure Date:

Friday, September 23, 2011 to Wednesday, September 28, 2011 (both days inclusive)

(v) Dividend Disclosure:

The Directors have not recommended any dividend for the period ended on March 31, 2011.

(vi) Listing on Stock Exchanges:

Company's equity shares are listed on the Stock Exchanges as detailed below :

S. No.	Name of Stock Exchange	Address	Listing fee Paid up to	Stock Code
1	Jaipur Stock Exchange Ltd.	Stock Exchange Building JLN Marg, Malviya Nagar, Jaipur-302017	2000-01	461
2	The Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400023	2010-11	511597
3	The Delhi Stock Exchange Association Ltd.	DSE House, 3/1, Asaf Ali Road New Delhi-110002	1996-97	1276

(vii) Market Price Data

Month	Palsoft at Mumbai Stock Exchange	BSE Sensex	
		High	Low
April-10	Suspended	18047.86	17276.80
May-10	Suspended	17536.86	15960.15
June-10	Suspended	17919.62	16318.39
July-10	Suspended	18237.56	17395.58
August-10	Suspended	18475.27	17819.99
September-10	Suspended	20267.98	18027.12
October-10	Suspended	20854.55	19768.96
November-10	Suspended	21108.64	18954.82
December-10	Suspended	20552.03	19074.57
January-11	Suspended	20664.80	18038.48
February-11	Suspended	18690.97	17295.62
March-11	Suspended	19575.16	17792.17

(viii) Share Transfer System, Registrar and Transfer Agents

For all matters relating to securities in dematerialized as well as physical form, the Company has appointed Registrar & Share Transfer Agent, as detailed hereunder:

M/s MCS Limited
F – 65, Okhla Industrial Area Phase I,
New Delhi –110 020
Ph. : 011-41406149 • E-mail : admin@mcsdel.com

All requests for transfer/transmission of securities in physical form as well as requests for dematerialisation/ re-materialisation are processed normally within a period of 3 to 4 weeks if the documents are complete in all respects.

(ix) Distribution of Shareholding as on March 31, 2011

Category	Total No. of		Percentage (%) of	
	Shares	Shareholders	Shares	Shareholders
1-500	683332	5643	22.75	95.51
501-1000	65963	85	2.20	1.44
1001-2000	160036	114	5.33	1.93
2001-3000	55457	22	1.85	0.37
3001-4000	20109	6	0.67	0.10
4001-5000	38998	8	1.30	0.14
5001-10000	91970	14	3.06	0.24
10001 and Above	1887235	16	62.84	0.27
Total	**3003100**	**5908**	**100.00**	**100.00**

(x) Shareholding Pattern as on March 31, 2011

Category	Number of Shares	No. of Shares held in DematForm	Percentage (%)
Promoter & Promoter Group			
Indian Promoters	1717980	1706060	57.21
Foreign Promoters	0	0	0.0
Institutions			
Mutual Funds & UTI	0	0	0.00
Financial Institutions/Banks	200	200	0.01
Central Govt/State Govt(s)	0	0	0.00
Foreign Institutional Investors	0	0	0.00
Non-Institutions			
Private Corporate Bodies	159152	67922	5.30
Indian Public	1125268	474930	37.46
Any other			
Clearing Members	0	0	0.00
NRI/OCB	500	500	0.02
Trust & Foundation	0	0	0.00
Grand Total	**3003100**	**2249612**	**100.00**

(xi) Dematerialisation of Shares

Particulars	As on 31-03-2011	%
No. of shares held in dematerialised form in NSDL	2103725	70.05
No. of shares held in dematerialised form in CDSL	145887	4.86
Physical form	753488	25.09
Total	**3003100**	**100.00**

(xii) Outstanding GDRs/ADRs etc.

Company has not issued any GDRs/ADRs nor are any warrants or convertible instruments outstanding as on date.

(xiii) Address of Registered Office & Shares Department

D-469, Road No. 9A
Vishwakarma Industrial Area
Jaipur – 302013

Palsoft Infosystems Limited

Certificate of Compliance of Code of Conduct for Board of Directors and Sr. Management Personnel

I, Amit Mahipal Gupta, Managing Director of the Company hereby certify that the Board of Directors and the Sr. Management Personnel have affirmed the compliance of the Code of Conduct of the Company for the financial year 2010-11.

Sd/-
(AMIT MAHIPAL GUPTA)
Managing Director

Place : Jaipur
Dated : 11.08.2011

CEO/CFO Certification under Clause 49(V) of the Listing Agreement (Corporate Governance Guidelines) to be placed before the Board along with the Audited Annual Accounts

To,
The Board of Directors,
Palsoft Infosystems Limited,
Jaipur

This is to certify that:

a. We have reviewed Financial Statement and Cash Flow Statement for the year and that to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
b. there 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.
c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
d. We have indicated to the Auditors and the Audit Committee
   (i) significant changes in internal control during the year.
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Sd/-	Sd/-	Sd/-
(AMIT MAHIPAL GUPTA)	(NAVEEN GUPTA)	(PAYAL GUPTA)
Managing Director	Director	Company Secretary

COMPLIANCE CERTIFICATE

To the members of Palsoft Infosystems Limited

We have examined the compliance of the conditions of corporate governance by Palsoft Infosystems Limited for the financial year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

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 the corporate governance. It is neither an audit nor expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement except there is delay of 2 days in holding the Board meeting at one instance.

We state that no investor grievance as on March 31, 2011 was pending against the company for a period exceeding one month as per the records maintained by the Shareholders'/ Investors' Grievance Committee.

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.

For D.P Agrawal and Associates
Company Secretaries
Sd/-
(D.P. AGRAWAL)
Proprietor
CP No. 6010

Place : Jaipur
Dated : 11.08.2011

Palsoft Infosystems Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 18th Report and audited accounts for the financial year ended on March 31, 2011.

FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	2010-11	2009-10
Total Income	**65.16**	71.73
Profit/(Loss) before Depreciation & Provisions	**10.39**	(53.34)
Depreciation	**0.10**	0.08
Provisions for Doubtful Debts & Diminution in value of Investment	**73.40**	(23.66)
Tax Expenses/FBT	**0.00**	0.00
Net Profit/(Loss)	**(63.11)**	(29.76)
Balance brought forward from previous year	**(580.97)**	(551.21)
Balance carried forward to Balance Sheet	**(644.08)**	(580.97)

OPERATIONS

During the year under review, the Company earned total income of Rs. 65.16 Lacs as compared to 71.73 Lacs during the year 2009-10. Further, the Net Loss for the year under review was Rs. 63.11 Lacs as compared to a loss of Rs. 29.76 Lacs during the year 2009-10 due to provision for diminution in value of investments and provision for doubtful debts.

DIVIDEND

In view of the adverse financial position of the Company, the Board regrets its inability to recommend any dividend for the year under review.

RESERVES

During the year, no amount was transferred to reserves.

AUDITORS

The Auditors of the Company M/s Kalani & Company, Chartered Accountants, Jaipur, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The auditors have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with sub-section (1B) of Section 224 of the Companies Act, 1956.

AUDITOR'S OBSERVATIONS

Observations of auditor are self explanatory and do not require any further to be commented by directors in this report.

DIRECTORS

As per provisions of Articles of Association, Shri Naresh Kumar Gupta retires by rotation and being eligible, offers himself for re-appointment.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees drawing remuneration of Rs. 24,00,000/- p.a. or Rs. 2,00,000/- p.m. or more. Hence there is no information to be provided in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

SUBSIDIARIES

The Company does not have any subsidiary Company.

CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed and forms part of this annual report. As on date, the company has complied with all provisions pertaining to Clause 49 of the Listing Agreement with the Stock Exchanges in this regard.

MANAGEMENT DISCUSSION & ANALYSIS

The report on Management Discussion & Analysis as required under the Listing Agreement with the Stock Exchanges is annexed and forms part of the Directors' Report.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from public in terms of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DELISTING OF SHARES FROM JAIPUR STOCK EXCHANGE AND DELHI STOCK EXCHANGE

Your directors recommended the voluntary delisting of shares from Jaipur Stock Exchange Limited and Delhi Stock Exchange as these Stock Exchanges looses their relevance in the recent past as the transaction in securities are done online and in dematerialized form.

The Special Resolution for delisting was passed in last AGM but the same could not be carried out.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable accounting have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of your company at the end of the financial year and of the profit of your company for that period;
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure-I to this Directors Report.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the co-operation extended by the Government authorities, Bankers, Suppliers, Customers and other business associates and are grateful for their assistance, guidance and support. Your Directors are also grateful to the employees, shareholders and general public for their support and confidence reposed in the management.

For and on behalf of the Board of Directors
Sd/-
PLACE : JAIPUR **(AMIT MAHIPAL GUPTA)**
DATE : 11.08.2011 **Managing Director**

ANNEXURE I

I. CONSERVATION OF ENERGY

(a) Energy conservation measures taken – Energy conservation measures have been implemented and are continuously monitored to ensure energy efficient environment.

(b) Additional investments and proposals if any, being implemented for reduction of consumption of energy – Nil

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – Nil

(d) Total energy consumption and energy consumption per unit of production – Nil

FORM-A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption: Nil

B. Consumption per unit of production: Nil

II. TECHNOLOGY ABSORPTION

FORM-B: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION ETC.

I Research and Development: Nil

II Technology Absorption, Adaptation and Innovation: The Company proposes to use the latest technologies for improving the productivity and quality of its services and products.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

I. Earnings in Foreign Exchange during the year : NIL

II. Foreign Exchange outgo during the year: NIL

For and on behalf of the Board of Directors
Sd/-
PLACE : JAIPUR **(AMIT MAHIPAL GUPTA)**
DATE : 11.08.2011 **Managing Director**

COMPLIANCE CERTIFICATE

To,
The Members,
Palsoft Infosystems Limited,
Jaipur.

I have examined the registers, records, books and papers of Palsoft Infosystems Limited as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provision contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2011 (Financial Year). In my opinion and to the best of my information and according to the examination carried out by us and explanations furnished to us by the company its officers and agents, I certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions and rules made there under and all entries there in have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company being a public limited company has the minimum prescribed paid-up capital and its minimum number of members during the said financial year was more than seven.
4. The company closed its Registers of Members from Thursday, September 23, 2010 to Wednesday, September 29, 2010 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
5. The Board of Directors duly met five times respectively on May 08, 2010, May 29, 2010, August 14, 2010, November 13, 2010 and February 14, 2011 in respect of which meetings proper notices were duly given and signed in the minutes books maintained for the purpose.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on September 29, 2010 after giving notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary General Meeting was held during the financial year under review.
8. The company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Companies Act, 1956.
9. As there were no instances falling within the purview of section 297 of the Act, hence Section 297 of the Act is not applicable.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, hence the company has not obtained any approvals from the Board of directors, members or the Central Government.
12. The company has not issued any duplicate share certificate during the financial year under review.
13. The Company has :

    (A) delivered all the certificates on lodgment for transfer/transmission or any other purpose in accordance with provisions of the Act.

    (B) duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the company is duly constituted and there was no change in the Board of Directors during the year under review.
15. The Company has complied with the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956 in respect of Shri Amit Mahipal Gupta and Smt. Anubha Gupta.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and the Registrar under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms / companies to the board of directors pursuant to the provisions of the Act and rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares or debentures during, the financial year.
21. There was no redemption of preference shares during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights as to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. There was no amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending March 31, 2011 and as such the provisions of Section 293 (1) (d) of the Act is not applicable.
25. The company has made investments in other body corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provision of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
29. The company has not altered the provision of the Memorandum with respect to the share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year for offences under the Act.
32. The company has not received any money as securities from its employees during the financial year.
33. The company has not deducted any contribution towards Provident Fund during the financial year.

For Palsoft Infosystems Limited
Sd/-
(PAYAL GUPTA)
Company Secretary

PLACE : JAIPUR
DATE : 11.08.2011

ANNEXURE 'A'

Registers as maintained by Company :

S.No.	Particulars	Section
1.	Index of Members	151
2.	Register of members	150
3.	Minutes books	193
4.	Register of Shares Transfer	108
5.	Register of Contracts	301
6.	Register of Directors, Managing Director & Secretary	303
7.	Register of Director's Shareholding	307
8.	Register of Allotment	75
9.	Register of Investments	372A

ANNEXURE 'B'

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

S.N.	Form No./Return	Files U/s	Date of Meetings / Doc.	Date of Filing	Whether filed within time	If delay in filing whether requisite addl. Fee paid
1	Form No. 66	Proviso to Sec. 383A	31/03/2010	27/10/2010	Yes	N.A.
2	Form No. 32	269	01/01/2010	27/10/2010	No	Yes
3	Form No.23AC, Form No. 23ACA	220	31/03/2010	28/10/2010	Yes	N.A.
4	Form No. 23	192	29/09/2010	28/10/2010	Yes	N.A.
5	Form No. 32	264	29/09/2010	28/10/2010	Yes	N.A.
6	Form No.20B	159	29/09/2010	27/11/2010	Yes	N.A.
7	Form No. 32	383 A	14/02/2011	08/03/2011	Yes	N.A.

AUDITORS' REPORT

TO THE MEMBERS OF PALSOFT INFOSYSTEMS LIMITED

1. We have audited the attached Balance Sheet of **PALSOFT INFOSYSTEMS LIMITED** as at 31st March, 2011 and the related Profit and Loss Account and 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. The financial statements are prepared with the assumption of going concern.

2. We have 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 misstatements. 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 company, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.

4. Subject to the Annexure referred to above, we report that :

   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   ii) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our 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 accounts.

   iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   v) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors of the company, we report that one of the director is disqualified as on 31st March, 2011 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information as 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 Balance Sheet, of the state of affairs of the company as at 31st March, 2011;

b) in the case of Profit and Loss Account, of the loss for the year ended on that date; and

c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR KALANI & COMPANY
Chartered Accountants
FRN - 000722C
Sd/-
(J.P. SOMANI)
Partner
M.No. 76211

PLACE : JAIPUR
DATE : 30.05.2011

ANNEXURE TO THE AUDITOR'S REPORT

Statement referred to in paragraph (3) of our report of even date to the members of the PALSOFT INFOSYSTEMS LIMITED on the accounts for the year ended 31st March, 2011.

(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 have 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 2010-11, therefore the company is not required of an internal audit system.

(viii) The maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956.

(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 31.03.2011 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. 8,05,161/- 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 except sales tax of Rs. 1,59,307/- pending before Rajasthan Tax Board.

(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 incurred cash loss of Rs. 13.61 Lacs in the current financial year.

(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
Sd/-
(J.P. SOMANI)
Partner
M.No. 76211

PLACE : JAIPUR
DATE : 30.05.2011

Palsoft Infosystems Limited

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE No.	As at 31st MARCH, 2011 (Rs.)	As at 31st MARCH, 2010 (Rs.)
SOURCES OF FUNDS :			
Share Capital	1	**30,031,000**	30,031,000
Reserve & Surplus	2	**30,030,300**	30,030,300
		60,061,300	60,061,300
LOAN FUNDS :			
Secured Loan		**0**	0
Unsecured Loan		**0**	0
		0	0
TOTAL		**60,061,300**	60,061,300
APPLICATION OF FUNDS :			
FIXED ASSETS	3		
Gross Block		**1,458,470**	1,400,070
Less : Accumulated Depreciation		**1,231,344**	1,221,898
		227,126	178,172
Less : Lease Adjustment Account		**44,161**	44,161
Less : Assets Provision as per RBI norms		**66,228**	66,228
Net Block		**116,737**	67,783
INVESTMENTS	4	**5,978,766**	10,149,889
CURRENT ASSETS, LOANS AND ADVANCES :			
Sundry Debtors	5	**0**	0
Cash & Bank Balances	6	**117,640**	106,957
Loans & Advances & Other Current Assets	7	**8,081,606**	5,797,585
		8,199,246	5,904,542
Less : Current Liabilities & Provisions			
Current Liabilities	8	**18,641,643**	14,158,352
Provisions		**0**	0
		18,641,643	14,158,352
Net Current Assets		**(10,442,397)**	(8,253,810)
Profit and Loss Account		**64,408,194**	58,097,439
TOTAL		**60,061,300**	60,061,300
Accounting Policies and Notes on Accounts	12		

For and on behalf of Board of Directors

Sd/-
(AMIT MAHIPAL GUPTA)
Managing Director

Sd/-
(NAVEEN GUPTA)
Director

Sd/-
(PAYAL GUPTA)
Company Secretary

PLACE : JAIPUR
DATE : 30.05.2011

This is the Balance Sheet referred to in the report of even date
FOR KALANI & COMPANY
Chartered Accountants
FRN - 000722C
Sd/-
(J. P. SOMANI)
Partner
M.No. 76211

Palsoft
your net future

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE No.	31st MARCH, 2011 (Rs.)	31st MARCH, 2010 (Rs.)
INCOME :			
Sale of Software		**5,885,000**	6,380,000
Other Income	9	**631,000**	793,274
TOTAL		**6,516,000**	7,173,274
EXPENDITURE :			
Payment to and Provision for Employees	10	**3,283,975**	4,096,281
Establishment, Administration & Other Expenses	11	**2,193,190**	1,136,026
Provision for Bad & Doubtful Debts		**4,950,000**	0
Provision for diminution in value of Investment		**2,390,144**	(2,366,278)
Loss on Sale of Long Term Investments		**0**	7,275,533
TOTAL		**12,817,309**	10,141,562
Profit/ (Loss) Before Depreciation & Tax		**(6,301,310)**	(2,968,288)
Less : Depreciation		**9,445**	7,679
Profit / (Loss) Before Tax		**(6,310,755)**	(2,975,967)
Less : Provision for Taxation		**0**	0
Profit / (Loss) for the Year		**(6,310,755)**	(2,975,967)
Add : Loss brought forward		**58,097,439**	55,121,472
Balance Carried to Balance Sheet		**(64,408,194)**	(58,097,439)
Earning Per Share (Basic & Diluted)		**(2.10)**	(0.99)

Accounting Policies and Notes on Accounts 12

For and on behalf of Board of Directors

Sd/-
(AMIT MAHIPAL GUPTA)
Managing Director

Sd/-
(NAVEEN GUPTA)
Director

Sd/-
(PAYAL GUPTA)
Company Secretary

PLACE : JAIPUR
DATE : 30.05.2011

This is the Profit & Loss Account referred to in the report of even date

FOR KALANI & COMPANY
Chartered Accountants
FRN - 000722C
Sd/-
(J. P. SOMANI)
Partner
M.No. 76211

Palsoft Infosystems Limited

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31ST MARCH, 2011 (Rs.)	As at 31ST MARCH, 2010 (Rs.)
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
50,00,000 Equity Shares of Rs. 10/- each	**50,000,000**	50,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
30,03,100 Equity Shares of Rs. 10/- each fully paid-up	**30,031,000**	30,031,000
TOTAL	**30,031,000**	30,031,000

SCHEDULE 2 : RESERVES AND SURPLUS		
Security Premium	**30,030,300**	30,030,300
TOTAL	**30,030,300**	30,030,300

SCHEDULE 3 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				Lease Terminal Adjustment 31-03-2011 (Rs.)	Assets Provision as per RBI norms (Rs.)	NET BLOCK	
	As at 01-04-10 (Rs.)	Addition During the Year (Rs.)	Deduction During the Year (Rs.)	As at 31-03-11 (Rs.)	As at 01-04-10 (Rs.)	For the Year (Rs.)	Deduction During the Year (Rs.)	Upto 31-03-11 (Rs.)			As at 31-03-11 (Rs.)	As at 31-03-10 (Rs.)
(A) LEASE ASSETS :-												
(a) Plant and Machinery	82,060	--	--	**82,060**	29,610	--	--	**29,610**	--	52,450	--	--
(b) Vehicles	144,244	--	--	**144,244**	84,727	--	--	**84,727**	44,161	13,778	**1,578**	1,578
TOTAL (A)	226,304	--	--	**226,304**	114,337	--	--	**114,337**	44,161	66,228	**1,578**	1,578
(B) ASSETS IN OWN USE :-												
(a) Furniture & Fixtures	143,339	--	--	**143,339**	132,612	679	--	**133,291**	--	--	**10,047**	10,726
(b) Computers	1,018,427	29700	--	**1,048,127**	966,192	8,613	--	**974,805**	--	--	**73,323**	52,236
(c) Computers (not put to use)	--	28,700	--	**28,700**	--	--	--	--	--	--	**28,700**	--
(d) Office Equipments	12,000	--	--	**12,000**	8,757	154	--	**8,911**	--	--	**3,089**	3,243
TOTAL (B)	1,173,766	58,400	--	**1,232,166**	1,107,561	9,446	--	**1,117,007**	--	--	**115,159**	66,205
GRAND TOTAL (A+B)	1,400,070	58,400	--	**1,458,470**	1,221,898	9,446	--	**1,231,344**	44,161	66,228	**116,737**	67,783

Palsoft Infosystems Limited

SCHEDULE 4 : INVESTMENTS (LONG TERM & OTHER THAN TRADE)

		No. of Shares	Face Value Per Share (Rs.)	Cost Per Unit (Rs.)	Cost of Investments (Rs.)	Market Rate 31.03.2011 Per Share (Rs.)	Market Price As at 31.03.2011 (Rs.)	Cost As at 31.03.2010 (Rs.)
(A)	**QUOTED INVESTMENTS**							
1	Associated Alcohols & Brewries	300	10.00	3.75	1125	29.30	8790.00	1125
2	Autolite (India) Limited	271,815	10.00	49.90	13481677	21.50	5844022.50	13312656
3	Autopal Industries Limited	5,300	10.00	3.75	19875	1.40	7420.00	19875
4	Bagari Minerals & Chemicals Ltd.	600	10.00	1.00	600	1.00	600.00	600
5	BCL Financial Services Ltd.	300	10.00	2.00	600	2.45	735.00	600
6	DCM Financial Services Ltd.	500	10.00	1.55	775	2.47	1235.00	775
7	Daewoo Motors India Ltd.	1,000	10.00	6.90	6900	6.71	6710.00	6900
8	Godrich Fin. & Sec. Ltd.	7,400	10.00	2.50	18500	2.50	18500.00	18500
9	Siddha Ventures Ltd.	400	10.00	1.25	500	1.22	488.00	500
10	IFM Impex Global Ltd.	2,100	10.00	1.00	2100	1.60	3360.00	2100
11	IFL Promoters Ltd.	600	5.00	5.00	3000	8.19	4914.00	3000
12	KJ International Ltd.	200	10.00	2.75	550	1.00	200.00	550
13	Lumax Industries Ltd.	100	10.00	39.30	3930	357.05	35705.00	3930
14	Mardia Steel Ltd.	1,700	10.00	1.60	2720	3.20	5440.00	2720
15	Polygentha Technologies Ltd.	700	10.00	1.00	700	47.90	33530.00	7000
16	Pratap Raj. Special Steels	2,800	10.00	22.75	63700	22.75	63700.00	63700
17	R.R. Financial Consultants	2600	10.00	5.00	13000	33.70	87620.00	13000
18	RDB Industries Ltd.	400	10.00	1.00	400	62.00	24800.00	400
19	Samrat Ashoka Exports Ltd.	200	10.00	3.00	600	3.00	600.00	600
20	Surana Telecom Ltd.	500	5.00	2.81	1405	15.15	7575.00	1405
21	Towel India Exports Ltd.	600	10.00	1.95	1170	6.54	3924.00	1170
22	Unimode Overseas Ltd.	5,600	10.00	1.00	5600	1.25	7000.00	5600
23	Surana Ventures Ltd.	375	10.00	-	-	46.70	17512.50	-
		306090			13629427		6184381.00	13460406
	Less :- Provision				7650661			5260517
	TOTAL (A)				**5978766**			**8199889**
Aggregate Market Value of Quoted Investments					6184381			8321669
(B)	**UN -QUOTED INVESTMENTS**							
	Unquoted Investments	-	-	-	-	-	-	-
	Less :- Provision	-	-	-	-	-	-	-
	TOTAL (B)				**0**			0
(C)	**APPLICATION MONEY**							
	Autolite Manufacturing Ltd.							**1,950,000**
TOTAL (C)								1,950,000
	GRAND TOTAL : (A+B+C)				5978766			10149889

	As at 31ST MARCH, 2011 (Rs.)	As at 31ST MARCH, 2010 (Rs.)
SCHEDULE 5 : SUNDRY DEBTORS		
(Unsecured)		
Outstanding over six months		
Considered Good	**0**	0
Considered Doubtful	**1,953,494**	2,053,830
Others	**0**	0
	1,953,494	2,053,830
Less : Lease Suspense Account	**1,564,995**	1,598,754
Less : Provision for Bad & Doubtful Debts	**388,499**	455,076
TOTAL	**0**	0
SCHEDULE 6 : CASH AND BANK BALANCES		
Cash in Hand	**9,143**	2,234
Banks Balances :		
(a) with Scheduled Banks		
(i) In Current Account	**108,497**	104,723
TOTAL	**117,640**	106,957
SCHEDULE 7 : LOANS AND ADVANCES & OTHER CURRENT ASSETS		
Loans (Unsecured)		
Alwar Auto Pvt. Ltd. (Considered doubtful)	**12,222,500**	12,222,500
Less : Provision	**(12,222,500)**	(12,222,500)
	0	0
Advance recoverable in cash or kind for value to be received :		
Considered Good :		
Advance for Lease Assets/Shares/Expenses	**10,949**	224,928
Advance to Others	**7,451,457**	4,953,457
Considered Doubtful :		
Advances Considered Doubtful	**8,670,578**	4,224,821
Less :- Provision	**(8,670,578)**	(4,224,821)
	0	0
Sales Tax Demand under dispute	**500,000**	500,000
Security Deposit	**119,200**	119,200
TOTAL	**8,081,606**	5,797,585

	As at 31ST MARCH, 2011 (Rs.)	As at 31ST MARCH, 2010 (Rs.)
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS		
(A) Current Liabilities :		
Sundry Creditors (Refer note no 5 of Schedule 11)		
For Expenses	**286,165**	245,042
Advance from customer	**3,483,000**	0
Advance for Capital Goods	**5,183,881**	5,154,121
Other Liabilities	**9,665,975**	8,736,567
Application Money Refundable	**22,622**	22,622
TOTAL (A)	**18,641,643**	14,158,352
(B) Provision :		
Provision for Current Tax	**0**	0
TOTAL (B)	**0**	0
TOTAL (A+B)	**18,641,643**	14,158,352
SCHEDULE 9 : OTHER INCOME		
Dividend	**1,850**	1,975
Profit on sale of current Investments	**0**	31,073
Interest Received	**616**	0
Excess Provision for Bad & Doubtful Debts Advances	**504,243**	0
Excess Provision for Bad & Doubtful Debts	**66,577**	759,750
Excess Provision for Lease Suspense	**33,759**	0
Excess Liability Written Off	**18,015**	0
Refund of FBT	**5,940**	0
Excess Provision Written Back (FBT)	**0**	476
TOTAL	**631,000**	793,274
SCHEDULE 10 : PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salary, Wages, Allowances and Bonus	**3,251,938**	4,066,752
Staff Welfare Expenses	**32,037**	29,529
TOTAL	**3,283,975**	4,096,281

	As at 31ST MARCH, 2011 (Rs.)	As at 31ST MARCH, 2010 (Rs.)
SCHEDULE 11 : ESTABLISHMENT, ADMINISTRATION AND OTHER EXPENSES		
Advertisement Expenses	**2,197**	42,705
Bank Charges	**21,579**	2,027
Bad Debts	**626,579**	0
Communication Expenses	**47,693**	48,251
Computer Maintenance Expenses	**649**	3,000
Conveyance Expenses	**650**	1,770
Demat Charges	**63,742**	63,874
Facilities to Directors	**22,318**	1,864
Listing Fees	**32,003**	31,903
Legal & Professional Expenses	**63,222**	27,212
Miscellaneous Expenses	**5,249**	385
Printing & Stationery	**14,522**	9,762
Payment to Auditors :		
Audit Fees	**16,545**	16,545
Taxation Matters	**11,030**	11,030
Rent, Rates & Taxes	**150,000**	600,000
Travelling Expenses to Others	**5,670**	8,607
Medical Expenditure reimbursed to Directors	**73,025**	0
Managerial Remuneration	**972,000**	243,000
Sales Promotion Expenses	**0**	11,660
Sales Tax Penalty	**21,320**	0
Sales Tax Interest	**38,878**	0
Interest on Statutory Dues	**3,827**	12,025
Telephone Expenses	**492**	406
TOTAL	**2,193,190**	1,136,026

SCHEDULE 12 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(A) ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING

The Company follows the accrual system of Accounting

2. REVENUE RECOGNITION & PROVISIONING

(i) Lease rental are accounted for in the year they fall due. Lease Management fee is accounted for on raising of first bill.

(ii) Income from bill discounting is net of rediscounting charges paid.

(iii) Dividend is accounted for on receipt basis.

(iv) Income in respect of over due lease rentals and bills is recognised on the basis of prudential norms prescribed by Reserve Bank of India.

(v) Software Income is recognised on satisfactory delivery of the software and acceptance by the customer.

3. FIXED ASSETS

All fixed assets are stated at historical cost.

4. DEPRECIATION

(i) Depreciation on fixed assets in own use has been charged using the written down value method of the rates specified in schedule XIV to the Companies Act, 1956. Assets costing less than Rs. 5000/- are written off in the year of purchase.

(ii) Lease assets are depreciated at rate specified in schedule XIV of the Companies Act 1956 as required by guidance notes on lease accounting issued by the Institute of Chartered Accountants of India. The difference between the depreciation charges, as computed using IRR method to ensure capital recovery over the primary lease period and the charge as disclosed for the year is reflected in the lease equalisation adjustment. The Company has not entered into any lease agreement on or after 1.4.2001, hence Accounting Standard - 19 issued by ICAI is not applicable to the Company.

5. INVESTMENTS

(i) Stock on hand transferred to investments are valued at price of transfer.

(ii) Investments purchased from markets are valued at cost.

(iii) Provision is made against permanent fall in market value / book value.

(B) NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES AS ON

	31/03/2011	31/03/2010
Disputed Sales Tax Demand	**1,59,307**	1,59,307

2. Establishment of the company is in the premises of Autolite (India) Limited. The expenditure incurred for the purpose of company's work has been reimbursed to that company. These are debited as follows.

		Current Year (Amount Rs.)	Previous Year (Amount Rs.)
(a)	Communication Expenses	**47,434**	47,839
(b)	Salary & Others	**1,432,504**	2,832,316
(c)	Rent	**150,000**	600,000
	TOTAL	**1,629,938**	3,480,155

3. ACCOUNTING FOR TAXES ON INCOME

Deferred Tax Assets are not recognised in respect of unabsorbed depreciation and carry forward of losses under tax laws as there is no convincing evidence to support that the sufficient future taxable income will be available against which such deferred tax assets can be realised.

4. Balances of debtors and creditors are subject to confirmation.

5. The Company is in the process of obtaining the information of the registration status of suppliers as required under the Micro, Small and Medium Enterprises Development Act, 2006. Hence the information required under the said Act could not be complied and disclosed.

6. Company has surrendered certificate of registration as Non Banking Financial Company to Reserve Bank of India on 15.12.2000. During the year no new business of NBFC's carried by company.

7. Figures of previous year reworked, regrouped & rearranged wherever found necessary.

8. The company has identified all the related parties transaction during the year as per details given below, in respect of the outstanding balance recoverable/payable as at 31st March, 2011. No provision for doubtful debts is required to be made. During the year, there were no amounts written off or written back from such parties.

(i) Transactions :

S.No.	Name of the transacting related party	Relationship between the parties and company	Nature of transaction	Opening Balance as on 01.04.2010	Transaction during the year 2010-11	Paid/ Transfer during the year 2010-11	Outstanding amount as on 31.03.2011	Payable (P) or Receivable (R)
1.	Shri Amit M. Gupta	Managing Director	Advances or Medical Exp. Reimbursed	--	71456	70747	709	Payable
2.	Smt. Anubha Gupta	Director	Advances or Medical Exp. Reimbursed	--	740	740	--	N.A.

(ii) Remuneration :

S.No.	Remuneration Paid	Amount (Rs.)
1	Shri Amit M. Gupta - Key Managerial Personnel	612,000
2	Smt Anubha Gupta - Key Managerial Personnel	360,000

9. Managerial remuneration paid to managing director Rs. 612,000 and other director Rs. 360,000.

10. Disclosure of Earning Per Share as required by Listing Agreement and Accounting Standard-20

(Basic & Diluted)

		Unit	2010-11	2009-10
a)	Amount used as the numerator (Loss)	(Rs. in Lacs)	**(63.10)**	(29.76)
b)	Weighted average number of Equity Shares used as denominator	(No.)	**3003100**	3003100
c)	Nominal value of Shares	(Rs. in Lacs)	**300.31**	300.31
d)	Earning per share	(Rs.)	**-2.10**	-0.99

11. Other information or details required by schedule VI Part I and Part II are either Nil or not applicable.

12. Balance Sheet Abstract and Company's General Business Profile is annexed with Notes on Accounts.

Signature to Schedule 1 to 12
For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(AMIT MAHIPAL GUPTA)	(NAVEEN GUPTA)	(PAYAL GUPTA)
Managing Director	Director	Company Secretary

PLACE : JAIPUR
DATE : 30.05.2011

In terms of our report of even date
FOR KALANI & COMPANY
Chartered Accountants
FRN - 000722C
Sd/-
(J. P. SOMANI)
Partner
M.No. 76211

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31ST MARCH, 2011

I. Registration details :

Registration No.	17-08112	State Code	17
Balance Sheet Date	31032011		

II. Capital Raised During the year : (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities	00787703	Total Assets	00787703
Sources of Funds			
Paid-up Capital	00300031	Reserve & Surplus	00300300
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	00001117	Investments	00059779
Net Current Assets	(104442)	Misc. Expenditure	NIL
Accumulated Losses	00644408		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Gross Revenue)	00065116	Total Expenditure	00128277
Profit/(Loss) before tax	(06311)	Profit/(Loss) after tax	(06311)
Earning per Share (in Rs.)	-2.10	Dividend rate %	NIL

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	
Products Description	SOFTWARE DEVELOPMENT
	I.T.ENABLED SERVICES
	WEB ENABLED SERVICES

For and on behalf of Board of Directors

Sd/-
(AMIT MAHIPAL GUPTA)
Managing Director

Sd/-
(NAVEEN GUPTA)
Director

Sd/-
(PAYAL GUPTA)
Company Secretary

PLACE : JAIPUR
DATE : 30.05.2011

In terms of our report of even date
FOR KALANI & COMPANY
Chartered Accountants
FRN - 000722C
Sd/-
(J. P. SOMANI)
Partner
M.No. 76211

Palsoft Infosystems Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

		2010-11 (Rs.)	2009-10 (Rs.)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit & Loss Account	**(6,310,755)**	(2,975,967)
	Adjusment for :		
	1. Depreciation	**9,445**	7,679
	2. Profit on sale of current Investment	**--**	(31,073)
	3. Loss on sale of long term Investment	**--**	7,275,533
	4. Dividend Received	**(1,850)**	(1,975)
	5. Excess Provision for diminution in value of investment	**2,39,0144**	(2,366,278)
	6. Provision for Fringe Benefit Tax written back	**--**	(476)
	Operating Profit before change in Working Capital	**(3,913,015)**	(1,907,443)
	Adjusted for changes in		
	Trade & Other Receivable	**(2,284,021)**	(4,431,705)
	Trade Payable	**4,483,291**	4,010,825
	Operating Cash Flow	**1,713,745**	1,486,563
	Income Tax Paid	**--**	--
	FBT Paid	**--**	(49,524)
	Net Cash Flow from Operating Activities (A)	**(1,713,745)**	1,437,039
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Sale of Investment	**--**	1,584,245
	Refund of Application Money	**1,950,000**	--
	Purchase of Investment	**(169,021)**	(3,001,661)
	Purchase of Fixed Assets	**(58,400)**	--
	Dividend recieved	**1,850**	1,975
	Net Cash from Investment Activities (B)	**1,724,429**	(1,415,441)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net Cash Flow from Financing Activities (C)	--	--
	NET INCREASE/(DECREASE) IN CASH (A+B+C)	**10,683**	21,598
	Cash and Cash Equivalents as on 01.04.2010	**106,957**	85,359
	Cash and Cash Equivalents as on 31.03.2011	**117,640**	106,957

	Sd/-	Sd/-	Sd/-
Date : 30.05.2011	**(PAYAL GUPTA)**	**(AMIT MAHIPAL GUPTA)**	**(NAVEEN GUPTA)**
Place : Jaipur	**Company Secretary**	**Managing Director**	**Director**

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of **PALSOFT INFOSYSTEMS LIMITED** derived from the audited Annual Accounts for the year ended 31st March, 2011 and found the same to be drawn in accordance there with and also with the requirement of Clause 32 of the Listing Agreement.

FOR KALANI & COMPANY
Chartered Accountants
FRN - 000722C
Sd/-
(J. P. SOMANI)
Partner
M.No. 76211

Place : Jaipur
Date : 30.05.2011

PALSOFT INFOSYSTEMS LIMITED

Regd. office : D-469, Road No. 9-A,V.K.I. Area, Jaipur-302013 (Raj.)

PROXY FORM

D.P. ID*	
Client Id*	

Reg. Folio No.	
No. of Shares held	

I/We _____ of _____

in the district of _____

being a member/members of Palsoft Infosystems Limited hereby appoint _____

of _____ in the district of _____

or failing him/her _____ of _____

in the district of _____ as my/our

proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the company to be held on Wednesday, the 28th September, 2011 at 4:00 P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Re. 1/-
Revenue
Stamp

Signature _____

Address _____

Note : This form duly completed and signed must be lodged at the Registered Office of the Company not less than 48 hours before the Meeting .

TEAR HERE

PALSOFT INFOSYSTEMS LIMITED

Regd. office : D-469, Road No. 9-A,V.K.I. Area, Jaipur-302013 (Raj.)

ATTENDANCE SLIP

D.P. ID*	
Client Id*	

Reg. Folio No.	
No. of Shares held	

I hereby record my presence at the 18th Annual General Meeting of the company held at Regd. Office : D-469, Road No. 9-A, V.K.I. Area, Jaipur-302013 on Wednesday, the 28th September, 2011 at 4:00 P.M.

Full name of member (IN BLOCK LETTERS) _____

Full name of proxy (IN BLOCK LETTERS) _____

Member's/Proxy's Signature _____

NOTE :

Shareholders/Proxy holders are requested to bring the attendance slips with them duly completed when they come to the meeting and hand over at gate after putting their signature on them.

* Applicable for Investors holding shares in electronic form

Book-Post

If undelivered, please return to :

Palsoft Infosystems Limited
D-469, Road No. 9-A
Vishwakarma Industrial Area,
Jaipur - 302 013 (Rajasthan)

Printed by : Priyanka Goyal - 9829473963