

# Palsoft

*your net future*

SOFTWARE  
SOLUTION

WEB  
SOLUTION

CAD/CAM  
SOLUTION

HARDWARE  
& NETWORKING

**20<sup>th</sup> ANNUAL  
REPORT 2012-13**

**Palsoft Infosystems Ltd.**

## 20<sup>th</sup> Annual Report 2012-2013

### BOARD OF DIRECTORS

Smt. Anubha Gupta  
Whole-time Director

Shri Amit Mahipal Gupta  
Director

Shri Naveen Gupta  
Director

Shri Naresh Kumar Gupta  
Director

Shri Rajendra Prasad Daga  
Director

### 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

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# Palsoft Infosystems Limited

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## NOTICE

Notice is hereby given that the Annual General Meeting of the members of PALSOFT INFOSYSTEMS LIMITED will be held at Registered Office of the Company at D-469, Road No. 9A, V.K.I. Area, Jaipur (Rajasthan) on Saturday, September 28, 2013 at 11.00 A.M to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2013 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 Amit Mahipal 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 ordinary resolution :**

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 and subject to such approvals, consents, permissions and sanctions of the Central Government and all other appropriate authorities, institutions or bodies and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, consents,

permissions and sanctions which the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which expression shall be deemed to include “Remuneration Committee” constituted by the Board to exercise its powers including the powers conferred by this resolution) is hereby authorized to accept and in terms of the resolution passed by the Remuneration Committee, the consent and approval of the Company be and is hereby accorded for re-appointment of Smt. Anubha Gupta, Whole-time Director of the company for a period of 3 years with effect from January 1, 2013 on the terms and conditions including remuneration as set out herein below in the Explanatory Statement to this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Shri Amit Mahipal Gupta, Director and / or Ms. Payal Gupta, Company Secretary of the Company be and is hereby authorised on behalf of the Board to do all such acts, deeds, things, matters and to execute and sign such documents, papers, undertaking, deeds, declaration, application in specified form to the Central Government and to take all such steps as may be deemed necessary or desirable or to settle any question or difficulty that may arise including authority to amend, vary, modify the same as may be considered desirable or expedient by the Central Government or any such authority.”

5. **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 : 13.08.2013

**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 Tuesday, September 24, 2013 to Saturday, September 28, 2013 (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/Registrar & Transfer Agent, 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**

Smt. Anubha Gupta has done her Bachelors in Technology from Pune University in the field of Electronics & Telecommunication. Being born in an Industrial Family and married to an Industrialist, she has always been involved in business activities in day to day management and Quality Testing. She has in depth knowledge of quality systems and deep understanding of customer requirements. In all she is a great asset to the organisation. She was



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appointed as Whole-time Director on January 01, 2010 for the period of three years.

Keeping in view the aforesaid facts and role of Whole-time Director of the company, in the overall performance of the Company, the Board of Directors at its meeting has subject to approval of the shareholders and such other approvals, consented for re-appointment and payment of remuneration as set-out herein below, subject to necessary compliance and shareholders' consent.

On December 20, 2012, the remuneration committee recommended the re-appointment of Whole-time Director which was approved by the Board of Directors on December 20, 2012 and subject to the approval of Shareholders and Central Government, if required.

**Basic Salary:** Rupees 30,000-10,000-50,000 per month

**Commission on Net Profit:** Two Percent of the Net Profit of the company for each financial year as computed under the provision of the Section 349 & 350 of the Companies Act, 1956.

**Perquisites:** In addition to the above, she shall be entitled to the perquisites as mentioned below, the value whereof will be restricted to an amount equal to 100% of annual salary subject to the condition that the aggregate of Salary and Perquisites shall not exceed Rs. 2,25,000/- per annum.

## PERQUISITES :

### CATEGORY 'A'

**Housing:** Residential furnished accommodation (company leased) or in lieu thereof House Rent Allowance @ 60% of the salary over and above 10% payable by her.

**Gas, Electricity, Water and Furnishings:** The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the

salary.

**Medical Reimbursement:** Expenses incurred for self and her family members subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

**Leave Travel Concession:** For self and her family members once in a year incurred in accordance with the rules specified by the Company.

**Club Fees:** Fees of clubs subject to a maximum of two clubs, this will not include admission and Life membership fees.

**Personal Accident Insurance:** Premium not to exceed Rs.4,000/-per annum on any policy, if any, taken by the company or reimbursement to her in this behalf.

### CATEGORY 'B'

The following perquisites shall also be allowed and they will not be included in the computation of the ceiling on perquisites mentioned above and as permissible under existing law:

- a) Company's contribution to provident Fund @ 10% of the salary.
- b) Company's contribution towards superannuation fund as per the rules of the company's superannuation scheme as may be applicable from time to time provided however that the company's contribution to the Superannuation Fund together with contribution to the Provident Fund shall not exceed 25% of the salary or any other higher amount that may be permissible under the law.
- c) Gratuity in accordance with the rules of the Company as applicable to the senior executives of the Company but not exceeding half a month's salary for each completed year of service.
- d) Encashment of Leave at the end of the tenure shall not be included in the computation of ceiling on perquisites.

**CATEGORY 'C'**

Provision of car with driver and telephone at residence provided that personal long distance calls on telephone and use of car for the private business shall be recovered by the company.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to revise from time to time, during the tenure of the present appointment of Smt. Anubha Gupta, the remuneration payable to her as Director, subject to the condition that payment of salary, perquisites and other allowances shall be within the ceiling laid down in sections 198, 309 and Schedule XIII to the Companies Act, 1956, from time to time without further approval of the Members of the company but with such other approvals, sanctions or permissions, if any, as may be required for such revision in the remuneration.

Further resolved that a notice of one month or salary in lieu thereof shall have to be given by either party desiring to terminate this contract before three years.

Apart from Smt. Anubha Gupta herself, Shri Amit Mahipal Gupta may be deemed to be interested in the proposed resolutions at item no. 4. This may also be treated as disclosure of Directors' interest in terms of Section 302 of the Companies Act, 1956 in a contract appointing the Director.

**ITEM NO. 5:**

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 delisting 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.

**Place : Jaipur**  
**Date : 13.08.2013**

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

# Palsoft Infosystems Limited

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Industry Structure and Development

During the year 2012-13, the continuing fragile global economic scenario and domestic factors like widening fiscal deficit and inflationary trends depressed India's overall economic growth. The slowdown of the economy has been pervasive affecting almost all sectors. The real GDP grew by 5.4% during the first half of the current fiscal year as against an average of 8% achieved during the last decade. As per the latest Economic Survey the year is likely to end with a growth rate of 5% as against 6.2% in 2011-12. We may however, be able to recoup the growth momentum in 2013-14 but subject to the condition that the policy focus remains on revival of domestic investment levels and job creation. Two sectors that may contribute significantly to either or both of these objectives are the IT & ITES and the electronic manufacturing Sectors.

The Indian IT-BPM industry has exhibited rapid evolution - in terms of expanding their vertical and geographic markets, attracted new customer segments, transformed from technology partners to strategic business partners, offering considerably wider spectrum of services over the years. Domestic IT-BPM revenue (excluding hardware) is expected to grow at 14.1 per cent to gross INR 1,047 billion in 2012-13. While, Export revenues (excluding hardware) are estimated to gross USD 75.8 billion in FY2013, growing by 10.2 percent over FY2012, and contributing nearly 80 per cent of the total IT-BPM revenues (excluding hardware), employing over 2.3 million employees. The IT services segment aggregated export revenues USD 43.9 billion, accounting for nearly 58 per cent of total exports and a growth of 9.9 per cent over 2011-12. Indian IT service offerings have evolved from application development and maintenance, to emerge as full service players providing testing services, infrastructure services, consulting and system integration. In total, the sector is estimated to aggregate revenues of USD 108 billion in 2012-13, with the IT software and services sector (excluding hardware) accounting for over USD 95 billion of revenues. Further, ER&D, OSPD (Outsourced Software Product Development) and software products segments are estimated to

generate exports of USD 14.1 billion, growth of nearly 9 per cent over 2011-12.

*(Source: Information Technology Annual Report 2012-13 Published by Ministry of Communication & Information Technology)*

### Opportunities & Threats

Convergence of technologies is creating opportunities. Cloud, mobility, social media, analytics, present opportunities for the industry to build new solutions, re-architect existing platforms and target new customer segments like the small and medium businesses. According to the NASSCOM Strategic Review 2013, some of the key growth drivers that are expected to open new opportunities for the industry are smart computing, 'anything'-as-a-service, technology enablement in emerging verticals and the SMB market.

India is the only country that offers the depth and breadth of offerings across different segment of this industry – IT Services, BPM, Engineering & R&D, Internet & Mobility and Software Products. IT Services is a USD 50 billion sector, BPM is a USD 20 billion sector, Engineering crossed USD 10 billion and Software products, Internet & Mobility are emerging opportunities. Today, existing and new companies are expanding their offerings to build India as the hub for analytics, mobility, cloud, social collaboration and emerging verticals like healthcare and medical devices

Though there are lots of opportunities, yet there are things which are a cause of concern. Global economic situation is foggy and uncertain. The industry may face risks in terms of increased protectionism and regulatory control from sourcing markets and increased competition from new and emerging countries. We may face competition from IT and ITES companies from low cost destination like China, Bulgaria, Philippines, Argentina, Poland etc. Other factors like political instability, threat to cyber security, strikes, corruption are concerns. Also, liquidity and financial constraints poses a challenge for the operations of the Company.

### Outlook

The IT-ITES sector has become one of the key sectors for the Indian economy because of its

economic impact. This sector is the biggest employment generator and has spawned the mushrooming of several ancillary industries such as transportation, real estate and catering, security, housekeeping etc.

The Indian Information Technology – Information Technology Enabled Services (IT-ITES) industry is the mainstay of Indian technology sector as it has driven growth of the economy in terms of employment, revenue generation, standards of living etc. and has played a major role in placing the country on the global canvas. India has been the most preferred destination for the global sourcing of IT-ITES, accounting for more than 52 per cent of the global sourcing market size in 2012 as compared to 50 per cent in 2011 (excluding – engineering services and R&D). To sustain growth, Indian IT-BPM industry is focusing on greater efficiencies, verticalized structures, geographical presence, IP based solutions, domain and increased collaboration across all stakeholders

#### Financial Review and Analysis

Particulars	(Rs.in Lacs)	
	2012-13	2011-12
Total Income	28.50	22.88
Profit/(Loss) before Depreciation & Provisions	0.01	(9.71)
Depreciation	0.15	0.17
Provisions for Doubtful Debts & Diminution in value of Investment	89.30	13.68
Provisions written back	89.83	7.00
Tax Expenses	0.00	0.00
Net Profit/(Loss)	0.39	(16.56)

#### Analysis of Financial Results

During the year under review, the Company earned total income of Rs. 28.50 Lacs as against Rs. 22.88 Lacs during the year 2011-12 thus registering a growth of approx. 25%. The Net Profit for the year under review was Rs. 0.39 Lacs as compared to a loss of Rs. 16.56 Lacs during the year 2011-12.

#### Internal Control Systems

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

#### Product Development and R& D

Alongwith introducing new modules in the ERP software especially designed for the Automotive Sector, the Company is making regular improvements in the Customized Software (ERP).

Due to financial limitations, the Company was not in the position to carry out Product Development and Market Research & other Developmental activities for new business activities. 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.

#### Human Resource Policy

The Company has revamped its HR policy in line with current trends and the process of recruitment shall be taken care based on business requirement.

#### 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.



# Palsoft Infosystems Limited

## 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, 2013, the Palsoft Board consisted of one executive director and four non-executive directors and out of four non-executive directors, three of them being independent directors. The details of Board Composition and categories of Directors as on March 31, 2013 is given hereunder:

Sr. No.	Name of Director	Category	Attendance at Board & AGM		Outside Directorships & Committee Positions (as on 31.03.2013)			
			Board Meetings attended	Last AGM	Directorships		Committee Position	
					Member	Chairman	Member	Chairman
1	Mrs. Anubha Gupta	Promoter and Whole-time Director	7	Yes	Nil	N.A.	2	Nil
2	Shri Amit Mahipal Gupta*	Promoter and Director	6	Yes	1	Nil	Nil	Nil
3	Shri Naveen Gupta	Independent Director	7	Yes	2	N.A.	3	Nil
4	Shri Naresh Kumar Gupta	Independent Director	7	Yes	Nil	N.A.	3	3
5	Shri Rajendra Prasad Daga	Independent Director	7	No	Nil	N.A.	1	Nil

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

\*Shri Amit Mahipal Gupta had resigned from the post of Managing Director. However, he is continuing as a Non-executive Director of the Company w.e.f. May 11, 2012.

### **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, 2013, the Board of Directors met seven times. The maximum time gap between any two meetings was 85 days.

The details of the Board Meetings held during the year ended on March 31, 2013 are May 11, 2012, May 25, 2012, August 14, 2012, November 08, 2012, December 20, 2012, February 13, 2013 and March 30, 2013.

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 Amit Mahipal Gupta, (Director)**

Shri Amit Mahipal Gupta holds a Bachelor’s Degree in Engineering from MIT, Aurangabad & is the brainchild in the Technology in the group. He has vast experience in Product Development, CAD / CAM/ CAE. He has been trained in CAD/ CAM from Autodesk (USA) & PTC (USA). He has also been trained in CAD/ CAM from Autodesk (USA) & PLC Controllers, Robotics & Vision Systems by National Instruments (USA). He is a member of Audit Committee, Investors Grievance Committee and Remuneration Committee formed under Clause 49 of the Listing Agreement.

# Palsoft Infosystems Limited

## 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)	- Oversight of financial reporting system of the company;
Shri Naveen Gupta (Member)	- Recommending appointment/removal of auditors, fixing the fee & approval of payment for other services
Mrs. Anubha Gupta (Member)	- Reviewing with management annual financial statements before submission to the Board including qualifications in draft auditors' report;
Ms. Payal Gupta (Secretary)	- 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.

Four meetings of the Audit Committee took place during the accounting year ended on March 31, 2013, i.e. on May 25, 2012, August 14, 2012, November 08, 2012, and February 13, 2013. All the three members were present at the meetings held on the above-mentioned 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

One meeting of Remuneration Committee was held on 20.12.2012 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, 2013 are given hereunder :

(Rs. in Lacs)

Particulars	Amit Mahipal Gupta	Anubha Gupta
Salary	0.00	0.00
Benefits:		
Allowances & Perquisites	0.00	0.00
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, 2013 :

Sl. No.	Name of the Director	No. of Equity shares held	% Holding
1.	Shri Amit Mahipal Gupta	62,700	2.09
2.	Smt. Anubha Gupta	87,650	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.



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## 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, 2013 are as follows :

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

The members of Investors' Grievance Committee met four times during the year ended on March 31, 2013. The meetings were held on May 25, 2012, August 14, 2012, November 08, 2012, and February 13, 2013. 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
2009-2010	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 29, 2010	3.00 P.M.
2010-2011	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 28, 2011	4.00 P.M.
2011-2012	D-469, Road No. 9A, Vishwakarma Industrial Area, Jaipur-302013	September 28, 2012	11.00 A.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 28, 2012 :-**

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

**2. AGM held on September 28, 2011:-**

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

**3. AGM held on September 29, 2010: -**

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

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 2012-13.

**c. Management Discussion & Analysis Report**

The Management Discussion & Analysis Report for the year ended 31st March, 2013 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.

**e. Means of Communication**

Quarterly results published in which newspapers	'Financial Express' / 'Hindustan Times Mint' (English) 'Riwaj Rajasthan Ki' (Hindi)
Whether MD & A is a part of Annual Report	Yes
E-mail ID for Investors' Grievances	<a href="mailto:palsoftinfo@gmail.com">palsoftinfo@gmail.com</a>
Website of the Company	<a href="http://www.palsoft.in">www.palsoft.in</a>

**f. General Shareholders' information**

**(i) Annual General Meeting**

Date and Time : September 28, 2013  
at 11.00 a.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.

# Palsoft Infosystems Limited

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## (iii) Financial Calendar for the year 2013-14 (Tentative)

Activity	Time schedule
Results for the first quarter ending June 30, 2013	By mid of August, 2013
Results for the second quarter ending September 30, 2013	By mid of November, 2013
Results for the third quarter ending December 31, 2013	By mid of February, 2014
Audited Results for the year ending March 31, 2014	By end of May, 2014

## (iv) Book Closure Date

Tuesday, September 24, 2013 to Saturday, September 28, 2013 (both days inclusive)

## (v) Dividend Disclosure

The Directors have not recommended any dividend for the year ended on March 31, 2013.

## (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	Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400023	2013-14	511597
3	Delhi Stock Exchange Ltd.	DSE House, 3/1, Asaf Ali Road, New Delhi-110002	1996-97	1276

**(vii) Market Price Data**

Month	Palsoft at BSE		BSE Sensex	
	High	Low	High	Low
April-12	9.68	9.49	17664.10	17010.16
May-12	9.31	9.13	17432.33	15809.71
June-12	8.85	8.85	17448.48	15748.98
July-12	8.41	6.85	17631.19	16598.48
August-12	6.84	6.50	17972.54	17026.97
September-12	6.82	6.82	18869.94	17250.80
October-12	11.30	7.16	19137.29	18393.42
November-12	17.71	11.55	19372.70	18255.69
December-12	23.30	17.45	19612.18	19149.03
January-13	19.95	18.10	20203.66	19508.93
February-13	18.10	18.10	19966.69	18793.97
March-13	18.05	16.35	19754.66	18568.43

**(viii) Share Transfer System, Registrar and Share Transfer Agent**

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, 2013**

Category	Total No. of		Percentage (%) of	
	Shares	Shareholders	Shares	Shareholders
1-500	681827	5645	22.70	95.50
501-1000	67550	88	2.25	1.49
1001-2000	161412	116	5.38	1.96
2001-3000	49020	19	1.63	0.32
3001-4000	23384	7	0.78	0.12
4001-5000	39130	8	1.30	0.14
5001-10000	83762	13	2.79	0.22
10001 and Above	1897015	15	63.17	0.25
<b>Total</b>	<b>3003100</b>	<b>5911</b>	<b>100.00</b>	<b>100.00</b>



# Palsoft Infosystems Limited

## (x) Shareholding Pattern as on March 31, 2013

Category	Number of Shares	No. of Shares held in Demat Form	Percentage (%)
<b>Promoter &amp; Promoter Group</b>			
Indian Promoters	1713480	1704160	57.06
Foreign Promoters	0	0	0.00
<b>Institutions</b>			
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
<b>Non-Institutions</b>			
Private Corporate Bodies	163400	72170	5.44
Indian Public	1124640	505202	37.45
<b>Any other</b>			
Clearing Members	980	980	0.03
NRI/OCB	400	400	0.01
Trust & Foundation	0	0	0.00
<b>Grand Total</b>	<b>3003100</b>	<b>2283112</b>	<b>100.00</b>

## (xi) Dematerialisation of Shares

Particulars	As on 31-03-2013	%
No. of shares held in dematerialised form in NSDL	2126753	70.82
No. of shares held in dematerialised form in CDSL	156359	5.21
Physical form	719988	23.97
<b>Total</b>	<b>3003100</b>	<b>100.00</b>

## (xii) Outstanding GDRs/ADRs etc.

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

## (xiii) Address of Registered Office & Secretarial Department

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

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

I, **Anubha Gupta, Whole-time 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 2012-13.

**Place : Jaipur**  
**Dated : 13.08.2013**

**Sd/-**  
**(ANUBHA GUPTA)**  
**Whole-time Director**

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**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/-**  
**(Anubha Gupta)**  
Whole-time Director

**Sd/-**  
**(Amit Mahipal Gupta)**  
Director

**Sd/-**  
**(Naveen Gupta)**  
Director

**Sd/-**  
**(Payal Gupta)**  
Company Secretary

# **Palsoft Infosystems Limited**

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## **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, 2013 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 above-mentioned Listing Agreement.

We state that no investor grievances as on March 31, 2013 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.

**Place : Jaipur**  
**Date : 13.08.2013**

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

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 20<sup>th</sup> Report and audited accounts for the financial year ended on March 31, 2013.

### FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	2012-13	2011-12
Total Income	<b>28.50</b>	22.88
Profit/(Loss) before Depreciation & Provisions	<b>0.01</b>	(9.71)
Depreciation	<b>0.15</b>	0.17
Provisions for Doubtful Debts & Diminution in value of Investment	<b>89.30</b>	13.68
Provisions written back	<b>89.83</b>	7.00
Tax Expenses	<b>0.00</b>	0.00
Net Profit/(Loss)	<b>0.39</b>	(16.56)

### OPERATIONS

During the year under review, the Company earned total income of Rs. 28.50 Lacs as against Rs. 22.88 Lacs during the year 2011-12 thus registering a growth of approx. 25%. The Net Profit for the year under review was Rs. 0.39 Lacs as compared to a loss of Rs. 16.56 Lacs during the year 2011-12.

### DIVIDEND

In view of the inadequate profits in the current financial year, 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.

### COST AUDITORS

During the year, Board appointed Mr. Sultan Singh, Cost Accountant to furnish certificate under Rule 2 of The Companies (Cost Accounting Records) Rules, 2011. The Board has obtained the Compliance Certificate for the year ended March 31, 2013 and will file the same along with XBRL filing.

### AUDITOR'S OBSERVATIONS

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

### DIRECTORS

Shri Amit Mahipal Gupta has resigned from the post of Managing Director w.e.f. May 11, 2012. However, he still continues to be associated with the Company as a Non-executive Director.

The service tenure of Shri Amit Mahipal Gupta and Smt. Anubha Gupta expired on December 31, 2012. The service agreement of Smt. Anubha Gupta was renewed for 3 years from January 01, 2013 to December 31, 2015. However, Shri Amit Mahipal Gupta continues to be associated with the Company as a Non-Executive Director. Also, Smt. Anubha Gupta had foregone her remuneration except perquisites for the period of one year w.e.f. January 1, 2013 to December 31, 2013.

As per provisions of Articles of Association, Shri Amit Mahipal Gupta retires by rotation and being



# Palsoft Infosystems Limited

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eligible, offers himself for re-appointment.

## **PARTICULARS OF EMPLOYEES**

None of the employees fall under the purview 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 Annual Report.

## **COMPLIANCE CERTIFICATE**

Pursuant to proviso to Section 383A of the Companies Act, 1956, a Company having paid up share capital of Rs. 10 Lacs and above but upto Rs. 500 Lacs is required to obtain Compliance Certificate from Company Secretary or where the Company has not employed Company Secretary then by Company Secretary in whole time practice.

The Compliance Certificate obtained from the Company Secretary 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 have lost 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.

Place : Jaipur  
Date : 13.08.2013

For and on behalf of the Board of Directors  
Sd/- Sd/-  
(ANUBHA GUPTA) (AMIT MAHIPAL GUPTA)  
Whole-time Director 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

Place : Jaipur  
Date : 13.08.2013

For and on behalf of the Board of Directors  
Sd/- Sd/-  
(ANUBHA GUPTA) (AMIT MAHIPAL GUPTA)  
Whole-time Director Director

# Palsoft Infosystems Limited

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## COMPLIANCE CERTIFICATE

CIN No. L72200RJ1994PLC008112

Nominal Capital : Rs. 500.00 Lacs

Paid-up Capital : Rs. 300.31 Lacs

To,  
The Members,  
Palsoft Infosystems Limited,  
Jaipur.

I have maintained 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 31<sup>st</sup> March, 2013 (Financial Year). 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 had closed its Registers of Members from Thursday, September 20, 2012 to Friday, September 28, 2012 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
5. The Board of Directors duly met seven times respectively on May 11, 2012, May 25, 2012, August 14, 2012, November 08, 2012, December 20, 2012, February 13, 2013 and March 30, 2013 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 31<sup>st</sup> March, 2012 was held on September 28, 2012 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. During the year under review, 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 Companies Act, 1956 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 Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Companies Act, 1956 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 lodgement 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 Companies Act, 1956.
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. Further, the service tenure of Shri Amit Mahipal Gupta and Smt. Anubha Gupta expired on December 31, 2012. The service agreement of Smt. Anubha Gupta was renewed for 3 years from January 01, 2013 to December 31, 2015. However, Shri Amit Mahipal Gupta continues to be associated with the Company as a non-executive Director. Also, Smt. Anubha Gupta had foregone her remuneration except perquisites w.e.f. January 1, 2013 to December 31, 2013
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 Section 299 of the Companies Act, 1956 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, 2012 and as such the provisions of Section 293 (1) (d) of the Companies Act, 1956 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 provision 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 provisions 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 deducted money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year.

Place : Jaipur  
Date : 13.08.2013

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

# Palsoft Infosystems Limited

## ANNEXURE 'A'

**Registers as maintained by Company / Registrar & Share Transfer Agent :**

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 31<sup>st</sup> March, 2013.

S.No.	Form No./Return	Filed 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. 32	303 (2)	11/05/2012	07/06/2012	Yes	N.A.
2	Form No. 66	Proviso to Sec. 383A	31/03/2012	06/10/2012	Yes	N.A.
3	Form No. 23	192	28/09/2012	06/10/2012	Yes	N.A.
4	Form No. 23B	224 (1A)	28/09/2012	17/10/2012	Yes	N.A.
5	Form No. 20B	159	28/09/2012	23/11/2012	Yes	N.A.
6	Form No. 23AC - XBRL & Form No. 23ACA - XBRL	220	31/03/2012	03/01/2013	Yes	N.A.

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## INDEPENDENT AUDITOR'S REPORT

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**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, 2013, 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"). 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.

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. 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, 2013;
- (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



# Palsoft Infosystems Limited

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Central Government of India in terms of sub-section (4A) of Section 227 of the Act, We give in the Annexure a statement 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;
  - 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;
  - e. On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2013, 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  
Sd/-  
(Deepak Khandelwal)  
Partner  
M.No. 409520

Place : Jaipur  
Date : 29-May-2013

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Statement referred to in paragraph 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 31<sup>st</sup> March, 2013.

- (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 does not have 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 31.03.2013 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,

# Palsoft Infosystems Limited

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- 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 incurred cash loss of Rs. Nil in the financial year 2012-13 and Rs. 9.71 Lacs in the financial year 2011-12.
- (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.

Place : Jaipur  
Date : 29-May-2013

**FOR KALANI & COMPANY**  
Chartered Accountants  
FRN - 000722C  
Sd/-  
(Deepak Khandelwal)  
Partner  
M.No. 409520

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

PARTICULARS	NOTE No.	As at 31 <sup>st</sup> March, 2013	(Amount in Rs.) As at 31 <sup>st</sup> March, 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2.1	<b>30,031,000</b>	30,031,000
(b) Reserves and Surplus	2.2	<b>(35,995,071)</b>	(36,034,214)
(c) Money Received Against Share Warrants		-	-
<b>2 Share Application Money Pending Allotment</b>			
		-	-
<b>3 Non-Current Liabilities</b>			
(a) Long Term Borrowing		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	2.3	-	5,154,121
(d) Long-Term Provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	2.4	<b>10,551,256</b>	14,583,263
(d) Short-Term Provisions		-	-
<b>TOTAL</b>		<b>4,587,185</b>	13,734,170
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets	2.5		
(i) Tangible Assets		<b>84,824</b>	99,416
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments	2.6	<b>88,725</b>	4,587,263
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	2.7	<b>119,200</b>	119,200
(e) Other Non-Current Assets		-	-
<b>2 Current assets</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	2.8	-	-
(d) Cash and Cash Equivalents	2.9	<b>46,802</b>	889,478
(e) Short-Term Loans and Advances	2.10	<b>3,747,634</b>	7,538,811
(f) Other Current Assets	2.11	<b>500,000</b>	500,000
<b>TOTAL</b>		<b>4,587,185</b>	13,734,170
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS	1 to 2		

For and on behalf of the Board of Directors  
For Palsoft Infosystems Limited

Sd/-  
(Amit Mahipal Gupta)  
Director

Sd/-  
(Naveen Gupta)  
Director

Sd/-  
(Payal Gupta)  
Company Secretary

Place : Jaipur  
Date : 29-May-2013

In terms of our Audit Report of even date  
**FOR KALANI & COMPANY**  
Chartered Accountants  
FRN - 000722C  
Sd/-  
(Deepak Khandelwal)  
Partner  
M.No. 409520

# Palsoft Infosystems Limited

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31<sup>ST</sup> MARCH, 2013

PARTICULARS	NOTE No.	(Amount in Rs.)	
		For the Year Ended 31 <sup>st</sup> March, 2013	For the Year Ended 31 <sup>st</sup> March, 2012
I. Revenue From Operations	2.12	2,850,000	2,175,000
II. Other Income	2.13	781	113,273
<b>III. Total Revenue</b>		<b>2,850,781</b>	<b>2,288,273</b>
<b>IV. Expenses</b>			
Employee Benefits Expense	2.14	2,445,556	2,299,582
Depreciation and Amortization Expense	2.5	14,593	17,321
Finance Costs	2.15	5,514	12,566
Other Expenses (Administrative & Selling Expenses)	2.16	398,736	946,633
<b>V. Total Expenses</b>		<b>2,864,398</b>	<b>3,276,102</b>
<b>VI. Profit (Loss) Before Exceptional Items</b>		<b>(13,617)</b>	<b>(987,829)</b>
<b>VII. Exceptional Items :</b>			
Loss on Sale of Investment		8,930,378	-
Provision for Diminution in Value of Investment		-	1,368,492
Provision for Diminution in Value of Investment Written Back During The Year		(8,983,139)	-
Provision Written Back on Bad & Doubtful Advances		-	(700,000)
<b>VIII. PROFIT (LOSS) FOR THE YEAR (VI-VII)</b>		<b>39,144</b>	<b>(1,656,320)</b>
<b>IX. EARNING PER EQUITY SHARE</b>			
Equity Shares of Par Value Rs.10/- each			
(1) Basic		0.01	(0.55)
(2) Diluted		0.01	(0.55)
Number of Shares Used in Computing Earnings Per Share			
(1) Basic		3,003,100	3,003,100
(2) Diluted		3,003,100	3,003,100
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS	1 to 2		

For and on behalf of the Board of Directors  
For Palsoft Infosystems Limited

Sd/-  
(Amit Mahipal Gupta)  
Director

Sd/-  
(Naveen Gupta)  
Director

Sd/-  
(Payal Gupta)  
Company Secretary

Place : Jaipur  
Date : 29-May-2013

In terms of our Audit Report of even date  
**FOR KALANI & COMPANY**  
Chartered Accountants  
FRN - 000722C  
Sd/-  
(Deepak Khandelwal)  
Partner  
M.No. 409520

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**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 SYSTEM OF ACCOUNTING :**

The financial statements are prepared under historical cost convention on the accrual basis of accounting and are in accordance with the generally accepted Accounting Principles (AS) as notified under Companies (Accounting Standards) Rules, 2006.

**1.2 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 recognized on the basis of prudential norms prescribed by Reserve Bank of India.
- (V) Software Income is recognized on satisfactory delivery of the software and acceptance by the customer.

**1.3 FIXED ASSETS:**

All fixed assets are stated at historical cost.

**1.4 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. 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 equalization adjustment. The company has not entered into any lease agreement on or after 1.4.2001, hence Accounting Standard-19 'Accounting for Lease' is not applicable to the company.

**1.5 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.

**1.6 Accounting For Taxes On Income : (AS-22)**

Income Tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax law that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax asset arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax asset on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax are reviewed to reassure realization.

**1.7 General :**

Except wherever stated accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.



# Palsoft Infosystems Limited

## 2. Notes on Account of the Year Ended 31<sup>st</sup> March 2013

PARTICULARS	As at 31 <sup>st</sup> March, 2013 (Amt. in Rs.)	As at 31 <sup>st</sup> March, 2012 (Amt. in Rs.)
<b>SHARE HOLDER'S FUNDS</b>		
<b>Note No. 2.1 Share Capital</b>		
<b>Authorised Share Capital</b>	<b>50,000,000</b>	50,000,000
50,00,000 (50,00,000) Equity Shares of Rs 10 each fully paid up		
<b>Issued, Subscribed &amp; Paid up</b>	<b>30,031,000</b>	30,031,000
30,03,100 (30,03,100) Equity Shares of Rs 10 each fully paid up		
<b>Total</b>	<b>30,031,000</b>	30,031,000

\*Figures in Bracket are of Previous Year

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each Shareholder is entitled to one vote per share and dividend as and when declared by the company. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

### Reconciliation of the number of shares outstanding

Shares outstanding at the beginning of the year	<b>3,003,100</b>	3,003,100
Shares issued during the year	-	-
Shares outstanding at the end of the year	<b>3,003,100</b>	3,003,100

### Shareholder holding more than 5 percent share

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Smt. Usha Gupta	432,640	14.41%	430,040	14.32%
Shri Mahi Pal Gupta	395,460	13.17%	395,460	13.17%
Autolite (India) Ltd.	508,920	16.95%	510,020	16.98%
<b>Total</b>	<b>1,337,020</b>	<b>44.52%</b>	<b>1,335,520</b>	<b>44.47%</b>

## Note No 2.2 Reserve & Surplus

### A. Securities Premium

Opening Balance	<b>30,030,300</b>	30,030,300
Add: Current Year Transfer	-	-
Less : Written Back in Current Year	-	-
Closing Balance	<b>30,030,300</b>	30,030,300

### B. Surplus

Opening balance	<b>(66,064,514)</b>	(64,408,194)
Add : Profit/(Loss) Transferred from statement of profit and loss	<b>39,144</b>	(1,656,320)
<b>Amount available for Appropriation</b>	<b>(66,025,371)</b>	(66,064,514)
Less: Appropriation	-	-
Closing Balance	<b>(66,025,371)</b>	(66,064,514)
<b>Total</b>	<b>(35,995,071)</b>	(36,034,214)

PARTICULARS	As at 31 <sup>st</sup> March, 2013 (Amt. in Rs.)	As at 31 <sup>st</sup> March, 2012 (Amt. in Rs.)
<b>NON CURRENT LIABILITIES</b>		
<b>Note No 2.3 Other Long Term Liabilities</b>		
<b>Advance for Capital Goods :</b>		
Autolite India Ltd.	-	5,154,121
<b>Total</b>	<b>-</b>	<b>5,154,121</b>
<b>CURRENT LIABILITIES</b>		
<b>Note No 2.4 Other Current Liabilities</b>		
<b>Other Payable</b>		
Statutory Liability (Duties & Taxes)	2,608,253	2,569,110
Advance from customer	-	3,476,500
Salary payable	249,142	233,207
Payable against expenses	325,531	336,146
Outstanding Expenses	149,790	144,172
Others	7,153,097	7,780,709
SD from Staff	42,821	20,797
Share Application Money (Refundable)	22,622	22,622
<b>Total</b>	<b>10,551,256</b>	<b>14,583,263</b>
<b>NON CURRENT ASSETS</b>		
<b>Note No 2.6 Non-Current Investment</b>		
<b>Non-Current, Non-Trade, At Cost</b>	Current Year	Previous Year
Investment	124,740	13,606,417
Less : Provision for Diminution in value of investment	36,015	9,019,154
<b>Total</b>	<b>88,725</b>	<b>4,587,263</b>
Cost of Investment (Gross)	124,740	13,606,417
Market Value of Investment	197,214	4,626,307
<b>Note No 2.7 Long term Loans and Advances</b>		
<b>Unsecured and considered Doubtful</b>		
Loans-Alwar Auto P Ltd	12,222,500	
Less: Provision	12,222,500	-
Security Deposit		119,200
<b>Total</b>	<b>119,200</b>	<b>119,200</b>
<b>CURRENT ASSETS</b>		
<b>Note No 2.8 Trade Receivable</b>		
<b>Unsecured, considered good</b>		
Debt outstanding for a period exceeding six months from the due date of repayment		
Considered Good	-	
Considered Doubtful	1,953,494	
<b>Total</b>	<b>1,953,494</b>	
Less: Lease Suspense Account	1,564,995	
Less: Provision for Doubtful Debts	388,499	
Other Debts	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# Palsoft Infosystems Limited

## Note No. 2.5 Fixed Assets

PARTICULARS	GROSS BLOCK		DEPRECIATION		Lease Terminal Adjustment 31-03-2013	Assets Provision as per RBI norms	NET BLOCK	
	As at 01-04-12	Addition During the Year	Deduction During the Year	As at 31-03-13			Upto 31-03-13	As at 31-03-12
<b>(A) LEASE ASSETS :-</b>								
(a) Plant and Machinery	82,060	--	--	29,610	--	52,450	--	--
(b) Vehicles	144,244	--	--	84,727	44,161	13,778	1,578	1,578
<b>TOTAL (A)</b>	<b>226,304</b>	<b>--</b>	<b>--</b>	<b>114,337</b>	<b>44,161</b>	<b>66,228</b>	<b>1,578</b>	<b>1,578</b>
<b>(B) ASSETS IN OWN USE :-</b>								
(a) Furniture & Fixtures	143,338	--	596	133,927	--	--	8,816	9,411
(b) Computers	1,076,827	--	13,857	991,342	--	--	71,628	85,485
(c) Office Equipments	12,000	--	140	9,058	--	--	2,802	2,942
<b>TOTAL (B)</b>	<b>1,232,166</b>	<b>--</b>	<b>14,593</b>	<b>1,134,327</b>	<b>--</b>	<b>--</b>	<b>83,246</b>	<b>97,838</b>
<b>GRAND TOTAL (A+B)</b>	<b>1,458,470</b>	<b>--</b>	<b>14,593</b>	<b>1,248,664</b>	<b>44,161</b>	<b>66,228</b>	<b>84,824</b>	<b>99,416</b>
<b>PREVIOUS YEAR</b>	<b>1,458,470</b>	<b>--</b>	<b>17,321</b>	<b>1,231,344</b>	<b>44,161</b>	<b>66,228</b>	<b>99,416</b>	<b>116,737</b>

**DETAILS OF NON CURRENT ASSETS : INVESTMENTS (LONG TERM & OTHER THAN TRADE)**

Particulars	No. of Shares	Face Value per Share	Cost per Unit (Rs.)	Cost of Investments (Rs.)	Market Rate 31.03.2013 Per Share (Rs.)	Market Value as at 31.03.2013 (Rs.)	Cost as at 31.03.2012 (Rs.)	Market Value or Cost whichever is lower (Rs.)
<b>(A) QUOTED INVESTMENTS :</b>								
1 Associated Alcohols & Breweries	300	10	4	1,125	18.10	5,430	1,125	1,125
2 Autolite (India) Limited	-	10	0	-	-	-	13,481,677	-
3 Autopal Industries Limited	5,300	10	4	19,875	1.40	7,420	19,875	7,420
4 Bagri Minerals & Chemicals Ltd.	600	10	1	600	-	-	600	-
5 BCL Financial Services Ltd.	300	10	2	600	-	-	600	-
6 Daewoo Motors India Ltd.	1,000	10	7	6,900	6.71	6,710	6,900	6,710
7 Mardia Steels Ltd.	7,400	10	0	2,720	-	-	2,720	-
8 Godrich Fin. & Sec. Ltd.	7,400	10	3	18,500	-	-	18,500	-
9 IFM Impex Global Ltd.	2,100	10	1	2,100	4.72	9,912	2,100	2,100
10 KJ International Ltd.	200	10	3	550	1.00	200	550	200
11 Polygenta Technologies Ltd.	700	10	1	700	46.90	32,830	700	700
12 Partap Raj. Special Steels	2,800	10	23	63,700	22.75	63,700	63,700	63,700
13 Samrat Ashoka Exports Ltd.	200	10	3	600	-	-	600	-
14 Towel India Exports Ltd.	600	10	2	1,170	6.54	3,924	1,170	1,170
15 Unimode Overseas Ltd.	5,600	10	1	5,600	11.98	67,086	5,600	5,600
	<b>34,500</b>			<b>124,740</b>		<b>197,214</b>	<b>13,606,417</b>	<b>88,725</b>
Less :Provision				36,015			9,019,154	(8,983,139)
<b>TOTAL (A)</b>				<b>88,725</b>			<b>4,587,263</b>	
Less : Provision already reduced in books								8,981,207
Provision to be written back								(1,932)
Aggregate market value of Quoted Investments					197,214		4,626,307	
<b>(B) UNQUOTED INVESTMENTS :</b>								
Less : Provision	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>								
<b>GRAND TOTAL (A+B)</b>				<b>88,725</b>			<b>5,978,766</b>	

**Note:**

1. These companies' shares have no Market Value due to following reasons

S. No.	Company Name	No. of Shares	Reasons
1	Bagri Minerals & Chemicals Ltd.	600	Unlisted/ Dormant
2	BCL Financial Services Ltd.	300	Under Liquidation
3	Godrich Fin. & Sec. Ltd.	7,400	Delisted
4	Mardia Steel Ltd.	1,700	Unlisted/ Dormant
5	Samrat Ashoka Exports Ltd.	200	Under Liquidation

# Palsoft Infosystems Limited

## 2. Details of Investment sold during the year

S. No.	Company Name	No. of Shares	Face Value Per Share (Rs.)	Cost Per Unit (Rs.)	Cost As at 31.03.2012 (Rs.)	Sale Price	Profit/(Loss) on sale of shares
1	Autolite (India) Limited	271,815	10	50	13,481,677	4,551,299	(8,930,378)

## 3. Movement of Provision

Particulars	Amount
Opening Provision for diminution in value of Investment	9,019,154
Less : Provision written back	8,983,138
	36,015
Less: Closing Provision	36,015
<b>Provision Charged to P&amp;L a/c</b>	<b>-</b>

PARTICULARS	As at 31 <sup>st</sup> March, 2013 (Amt. in Rs.)	As at 31 <sup>st</sup> March, 2012 (Amt. in Rs.)
<b>Note No 2.9 Cash &amp; Cash equivalent</b>		
<b>Cash on hand</b>	<b>9,981</b>	4,037
<b>Balance with Banks</b>		
In Current Accounts	<b>36,821</b>	885,441
<b>Total</b>	<b>46,802</b>	889,478
<b>Note No 2.10 Short Term Loans &amp; Advances</b>		
<b>(a) Unsecured and considered good</b>		
Advances to Lease Assets/Shares/Expenses	<b>14,677</b>	18,354
Advances to Others	<b>3,732,957</b>	7,520,457
<b>(b) Unsecured and considered doubtful</b>		
Advances	7,970,578	
Less: Provision	7,970,578	
<b>Total</b>	<b>3,747,634</b>	7,538,811
<b>Note No 2.11 Other Current Assets</b>		
<b>Others</b>		
Sales Tax Demand Under Dispute	<b>500,000</b>	500,000
<b>Total</b>	<b>500,000</b>	500,000
<b>Note No 2.12 Revenue From Operations</b>		
<b>(a) Sale of Services</b>		
Sale of Software	<b>2,850,000</b>	2,175,000
<b>Total</b>	<b>2,850,000</b>	2,175,000

PARTICULARS	For the year ending 31 <sup>st</sup> March, 2013 (Amt. in Rs.)	For the year ending 31 <sup>st</sup> March, 2012 (Amt. in Rs.)
<b>Note No 2.13 Other Income</b>		
Profit on Sale of Long term investments	-	111,448
Interest Income	781	360
Dividend Income	-	1,465
<b>Total</b>	<b>781</b>	<b>113,273</b>
<b>Note No 2.14 Employee Benefits Expenses</b>		
Salaries and incentives	2,355,683	2,266,471
Staff welfare expenses	26,182	26,838
Medical Expenditure reimbursed to Directors	63,691	6,273
<b>Total</b>	<b>2,445,556</b>	<b>2,299,582</b>
<b>Note No. 2.15 Finance Costs</b>		
Interest on Statutory Dues (VAT)	4,220	2,557
Interest on Others	-	7,625
Bank Charges	1,294	2,384
<b>Total</b>	<b>5,514</b>	<b>12,566</b>
<b>Note No 2.16 Other Expenses (Administrative Expenses)</b>		
Advertisement Expenses	87,114	135,610
Fines and Penalties	-	510,040
Communication Expenses	43,263	42,308
Conveyance Expenses	929	3,127
Demat Charges	67,742	68,069
Office expenses	-	1,100
Facilities to Directors	-	4,609
Internet expenses	561	550
Listing Fees	29,454	29,850
Legal & Professional Fees	23,990	36,361
Printing & Stationery	39,617	10,639
Payment to Auditors		
Audit Fees	16,854	16,545
Company Law Matter	22,472	16,545
Taxation Matter	5,618	11,030
Rent, Rates & Taxes	60,000	60,000
Miscellaneous Expenses	1,122	250
<b>Total</b>	<b>398,736</b>	<b>946,633</b>



# Palsoft Infosystems Limited

## Note No. 2.17 -: Other Disclosures and Notes

- (i) There was no contingent liability as on 31.03.2013
- (ii) 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:

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
(a) Communication Expenses	43,263	41,420
(b) Rent	60,000	60,000
<b>Total</b>	<b>103,263</b>	<b>101,420</b>

- (iii) Accounting for taxes on income:

Deferred Tax Assets are not recognized 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 realized.

- (iv) Balances of Trade receivables and Trade payables are subject to confirmation.
- (v) 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 compiled and disclosed.
- (vi) 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.
- (vii) Previous year figures have been regrouped and rearranged wherever found necessary.

For and on behalf of the Board of Directors  
For Palsoft Infosystems Limited

Sd/-  
(Amit Mahipal Gupta)  
Director

Sd/-  
(Naveen Gupta)  
Director

Sd/-  
(Payal Gupta)  
Company Secretary

Place : Jaipur  
Date : 29-May-2013

In terms of our Audit Report of even date  
FOR KALANI & COMPANY  
Chartered Accountants  
FRN - 000722C  
Sd/-  
(Deepak Khandelwal)  
Partner  
M.No. 409520

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**

PARTICULARS	Current Year 2012-13 (Amt. in Rs.)	Previous Year 2011-12 (Amt. in Rs.)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit &amp; Loss account</b>	<b>39,144</b>	<b>(1,656,320)</b>
<b>Adjustment for :</b>		
Depreciation	14,593	17,321
Profit/(Loss) on Sale of long term investment	8,930,378	(111,448)
Dividend Received	-	(1,465)
Provision for diminution in value of investment	-	1,368,492
Excess Provision for diminution in value of investment written back	<b>(8,983,139)</b>	-
<b>Operating Profit Before Change in Working Capital</b>	<b>975</b>	<b>(383,421)</b>
<b>Adjusted for change in</b>		
Trade & Other Receivable	3,791,177	(76,405)
Trade Payable	<b>(4,032,007)</b>	1,095,741
<b>Operating Cash Flow</b>	<b>(239,854)</b>	635,915
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(239,854)</b>	635,915
<b>(B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale of Investment	4,551,299	134,458
Dividend Received	-	1,465
Payment of Long Term Liabilities	<b>(5,154,121)</b>	-
<b>NET CASH FROM INVESTMENT ACTIVITIES (B)</b>	<b>(602,822)</b>	135,923
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	-	-
<b>NET CASH INCREASE / DECREASE (A+B+C)</b>	<b>(842,676)</b>	771,838
Cash and Cash equivalents as on 01.04.2012	889,478	117,640
Cash and Cash equivalents as on 31.03.2013	46,802	889,478

<b>Place : Jaipur</b>	Sd/- (AMIT MAHIPAL GUPTA)	Sd/- (NAVEEN GUPTA)	Sd/- (PAYAL GUPTA)
<b>Date : 29-May-2013</b>	Director	Director	Company Secretary

**AUDITORS' CERTIFICATE**

We have verified the above Cash Flow Statement of **PALSOFT INFOSYSTEMS LIMITED** derived from the audited Annual Accounts for the year ended 31<sup>st</sup> March, 2013 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/-  
(Deepak Khandelwal)  
Partner  
M.No. 409520

**Place : Jaipur**  
**Date : 29-May-2013**



## 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 20<sup>th</sup> Annual General Meeting of the company to be held on  
Saturday, the 28<sup>th</sup> September, 2013 at 11:00 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

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 .

## 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 20<sup>th</sup> Annual General Meeting of the company held at Regd. Office : D-469, Road No. 9-A, V.K.I. Area, Jaipur-302013 on Saturday, the 28<sup>th</sup> September, 2013 at 11:00 A.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

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**Palsoft Infosystems Ltd.**

D-469, Road No. 9A

V.K.I. Area, Jaipur - 302013 (Rajasthan)

**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1	Name of the company	Palsoft Infosystems Limited
2	Annual financial statements for the year ended	31st March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of qualification	N. A.

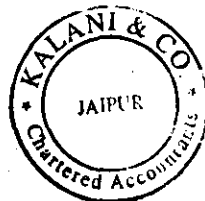
*Anusha*  
(WHOLE-TIME DIRECTOR/CEO)



*Anil Kumar Gupta*  
(CHIEF FINANCIAL OFFICER)

For KALANI & COMPANY

*Deepak*  
(STATUTORY AUDITOR) Partner  
**Deepak Khandelwal**  
Chartered Accountant  
Kalanilal  
Bapu Nagar, JAIPUR



*Umesh*  
(CHAIRMAN OF AUDIT COMMITTEE)

**PALSOFT INFOSYSTEMS LIMITED**  
(Formerly : Autolite Capital and Finance Ltd.)