




**FORM A**

(Pursuant to Clause 31 of the Listing Agreement)

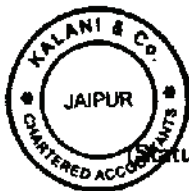
|    |  |                             |
|----|--|-----------------------------|
| 1. | Name of the Company                            | Palsoft Infosystems Limited |
| 2. | Annual financial statements for the year ended | 31st March, 2014            |
| 3. | Type of Audit observation                      | Un-qualified                |
| 4. | Frequency of qualification                     | N. A.                       |


  
Anubha Gupta  
(Whole-time Director)  
DIN : 02914072




  
Amit Mahipal Gupta  
(Director)  
DIN : 00058701

FOR KALANI & COMPANY  
Chartered Accountants  
FRN : 000722C



  
SHYAM SUNDER  
Chartered Accountant  
Kalani & Co  
S-23A, Mangal Marg  
Bapu Nagar, JAIPUR  
M. No 410060

  
Naresh Kumar Gupta  
(Chairman of Audit Committee)



**Palsoft Infosystems Limited**

(Formerly : Autolite Capital and Finance Ltd.)

D-469, Road No. 9A V.K.I. Area, Jaipur -302013 (INDIA), Tel : +91-141-2333994, Fax : +91-141-2330426

Email : palsoftinfo@gmail.com, Web : www.palsoft.in

# PALSOFT

your net future



**CAD/CAM  
SOLUTION**

**HARDWARE &  
NETWORKING**

**WEB  
SOLUTION**

**SOFTWARE  
SOLUTION**

**21<sup>st</sup> ANNUAL  
REPORT 2013-14**

**Palsoft Infosystems Ltd.**

## 21<sup>st</sup> Annual Report 2013-2014

### **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 Limited  
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 Share Transfer Agent Limited  
F-65, Okhla Industrial Area  
Phase-I, New Delhi-0110020  
E-mail : admin@mcsdel.com  
Tel. No.: 011-41406149

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# Palsoft Infosystems Limited

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## NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of PALSOFT INFOSYSTEMS LIMITED will be held at the Registered office of the Company at D-469, Road No. 9A, V.K.I. Area, Jaipur – 302013 (Rajasthan) on Tuesday, September 30, 2014 at 11.00 AM to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2014 and Statement of Profit and Loss 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 Naveen Gupta (holding DIN 01335569), 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 21<sup>st</sup> Annual General Meeting till the conclusion of the 24<sup>th</sup> Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### SPECIAL BUSINESS

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Naresh Kumar Gupta (holding DIN 00949209), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Rajendra Prasad Daga (holding DIN 02990005), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2019.”

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

“RESOLVED THAT pursuant to applicable

provisions of the Companies Act, 2013, (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 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**

**Place : Jaipur**

**Sd/-**

**Date : 12.08.2014**

**(Payal Gupta)**

**Company Secretary**

**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 102(1) of the Companies Act, 2013 in respect of the special business is annexed hereto.

4. All documents referred to in the accompanying Notice and Explanatory Statement is 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 23, 2014 to Tuesday, September 30, 2014 (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. Electronic Copy of the Annual Report for 2013-14 along with Notice of the 21<sup>st</sup> Annual General Meeting inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the same is being sent in the permitted mode.

8. Members may also note that the Annual Report for 2013-14 along with Notice of the 21<sup>st</sup> Annual General Meeting will also be available on the



# Palsoft Infosystems Limited

Company's website [www.palsoft.in](http://www.palsoft.in) for their download.

9. 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 Share Transfer Agent Limited, Sri Venkatesh Bhavan, F – 65, Okhla Industrial Area Phase – I, New Delhi – 110 020** and to inform the company/Registrars & Transfer Agents, any change in their addresses immediately so as to enable the Company to dispatch any future communication at their correct addresses.

## 10. Voting through electronic means:

- a. Members may note that pursuant to Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement the Company is providing e-voting facility for voting on the resolutions proposed to be passed at the Annual General Meeting of the members.
- b. These details and instructions form integral part of the Notice dated 12 August, 2014 for the Annual General Meeting to be held on 30 September, 2014.
- c. Mr. J. P. Sharma, Company Secretary in Practice, 'Shree Dham', R-20, Yudishtar Marg, C-Scheme, Jaipur – 302005 has been appointed as the Scrutinizer for conducting the voting for e-voting for the purpose of the said Annual General Meeting.

## PROCESS AND MANNER FOR MEMBERS OPTING FOR E-VOTING

### Electronic Voting particulars

| EVEN<br>(E-voting event<br>number) | User ID | Password |
|------------------------------------|---------|----------|
|                                    |         |          |

1. The electronic voting particulars are set out in the Annexure sent herewith.
2. The e-voting facility will be available during the following voting period:

| Commencement<br>of e-voting        | End of e-voting                    |
|------------------------------------|------------------------------------|
| 24 September,<br>2014 from 9:00 am | 25 September,<br>2014 till 6:00 pm |

3. User ID and Password for e-voting is provided in the table given on the face of the Annexure to AGM Notice. Please note that the Password is an Initial Password.
4. National Securities Depository Limited (NSDL) shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/ Depository Participant(s).
5. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
6. Click on Shareholder – Login.
7. Put user ID and password as initial password noted in para 3 above. Click Login.
8. Password change menu appears. Change the password with new password of your choice

- with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. Home page of e-Voting opens. Click on e-Voting : Active Voting Cycles.
  10. Select “EVEN” of Palsoft Infosystems Limited.
  11. Now you are ready for e-Voting as Cast Vote page opens.
  12. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  13. Upon confirmation, the message “Vote cast successfully” will be displayed.
  14. Once you have voted on the resolution, you will not be allowed to modify your vote.
  15. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail : [jpsassociates@hotmail.com](mailto:jpsassociates@hotmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  16. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  17. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
  18. The e-voting period commences on 24<sup>th</sup> September, 2014 (9.00 am) and ends on 25<sup>th</sup> September, 2014 (6.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 30<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
  19. The voting rights exercised by the Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 30<sup>th</sup> August, 2014.
  20. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour and/or against, as the case may be, forthwith to the Chairperson of the Company.
  21. The Results shall be declared in the 21<sup>st</sup> Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.palsoft.in](http://www.palsoft.in) and on the website of NSDL.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4**

Shri Naresh Kumar Gupta (holding DIN 00949209), Post Graduate in Business Management, has twenty nine rich years of experience in the field of lamps and lightning business and has a functional expertise in marketing. He is partner in Luxpal Miniature Bulb Industries and also Chairman of the Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee.

# **Palsoft Infosystems Limited**

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Except Shri Naresh Kumar Gupta, being the appointee, none of the directors, Key Managerial Personnel or their relatives is interested in the resolution.

## **ITEM NO. 5**

Shri Rajendra Prasad Daga (holding DIN 02990005), has done engineering from one of the reputed institutions of India. He has been in the business of marbles and granites since 2005 thus holds a rich experience of around 9 years. He is partner in Daga Overseas. He has been associated with the Company for nearly 5 years. He is a member of the Nomination and Remuneration Committee.

Except Shri Rajendra Prasad Daga, being the appointee, none of the directors, Key Managerial Personnel or their relatives is interested in the resolution.

## **ITEM NO. 6**

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 shall be 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 or Key Managerial Personnel or their relatives 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 : 12.08.2014**

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



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Industry Structure and Development

Despite challenges in the global market, Indian IT-BPM industry sustained its growth trajectory and is expected to clock export revenues of USD 86 billion with a Y-o-Y growth rate of 13 per cent (as per NASSCOM). The IT services sector accounted for the largest share of the IT and ITeS industry, with a total market size of US\$ 56.3 billion during FY13, followed by BPM sector (US\$ 20.9 billion), and software products and engineering services (US\$ 17.9 billion). The industry grew at a compound annual growth rate (CAGR) of 13.1 per cent during FY08-13. Total exports from the IT-BPM sector (excluding hardware) were estimated at US\$ 76 billion during FY13, Export of IT services has been the major contributor, accounting for 57.9 per cent of total IT exports (excluding hardware) in FY13. BPM accounted for 23.5 per cent of total IT exports during the same fiscal. The IT outsourcing sector is expected to see exports growing by 13-15 per cent during FY15.

The Indian IT-BPM industry is expected to add revenues of US\$ 13-14 billion to the existing revenues by FY15, according to National Association of Software and Services Companies (NASSCOM). Domestic market also witnessed YoY growth rate of 10% taking the domestic revenues to INR 1150 billion. The Indian IT-BPM sector continues to be one of the largest employers in the country directly employing nearly 3 million professionals, adding over 160,000 employees. FY2014 can be characterized by rapid evolution, expansion of verticals and geographic markets, attracting new customer segments, and offering a considerably wider spectrum of solutions.

### Opportunities & Threats

Economic uncertainties - inflation, rupee volatility, slowing GDP, 2014 elections etc. have a big impact

on IT spend. The Increased consumer play, focus on user experience; unmet demand from Tier II/III cities, higher adoption by retail, healthcare, education, SMBs shall pave a way to drive growth. According to NASSCOM, the market for Software products is driven by demand for vertical specific solutions and SMAC. Enterprise business software, applications development, communication & collaboration, enterprise mobility, analytics are the leading areas of product development. Though there are lots of opportunities, yet there are threats like Government policies, competition, non-availability of competent workforce, threat to cyber security, etc. Also, liquidity and financial constraints poses a challenge for the operations of the Company.

### Outlook

IT-BPO sector has become one of the most significant growth catalysts for the Indian economy. In addition to fuelling India's economy, this industry is also positively influencing the lives of its people through an active direct and indirect contribution to the various socio-economic parameters such as employment, standard of living and diversity among others. The industry has played a significant role in transforming India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services. The industry has helped India transform from a rural and agriculture-based economy to a knowledge based economy.

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

# Palsoft Infosystems Limited

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.

## Product Development and R&D

The Company is in process of regular improvements

in the Customized Software (ERP) alongwith developing new modules in the ERP software especially designed for the Automotive Sector.

Due to financial constraints, the Company was not able to carry out any Research & other Developmental activities. However, the Company plans to foray into the development of ERP software and other high value added activities in due course.

## Financial Results and Analysis

(Rs. in Lacs)

| PARTICULARS   | 2013-14 | 2012-13 |
|---|---------|---------|
| Total Income  | 32.65   | 28.50   |
| Profit/(Loss) before Depreciation & Provisions                    | 0.44    | 0.01    |
| Depreciation  | 0.14    | 0.15    |
| Provisions for Doubtful Debts & Diminution in value of Investment | 0.00    | 89.30   |
| Provisions written back   | 0.00    | 89.83   |
| Tax Expenses  | 0.00    | 0.00    |
| Net Profit/(Loss)   | 0.30    | 0.39    |

## Analysis of Financial Results

During the year under review, the Company earned total income of Rs.32.65 Lacs as against Rs.28.50 Lacs during the year 2012-13. However, the Net Profit for the year under review was Rs.0.30 Lacs as compared to a profit of Rs.0.39 Lacs during the year 2012-13.

## 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.

## Internal Control Systems

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

## Human Resource Policy

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

## REPORT ON 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, 2014, the Board consisted of one executive director and four non-executive directors and out of four non-executive directors, with three of them being independent directors. The details of Board Composition and categories of Directors as on March 31, 2014 is given hereunder:

| S. No. | Name of Director          | Category                       | Attendance at Board & AGM |          | Outside Directorships & Committee positions (as on 31.03.14) |          |                     |          |
|--------|---------------------------|--------------------------------|---------------------------|----------|--|----------|---------------------|----------|
|        |                           |                                | Board meetings attended   | Last AGM | Directorships  |          | Committee Positions |          |
|        |                           |                                |                           |          | Member   | Chairman | Member              | Chairman |
| 1.     | Smt. Anubha Gupta         | Promoter & Whole-time Director | 6                         | Yes      | Nil  | N.A.     | 2                   | Nil      |
| 2.     | Shri Amit Mahipal Gupta   | Promoter and Director          | 7                         | 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*

# Palsoft Infosystems Limited

## 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, 2014, the Board of Directors met seven times. The maximum time gap between any two meetings was 75 days.

The details of the Board Meetings held during the year ended on March 31, 2014 are April 30, 2013, May 29, 2013, August 13, 2013, October 17, 2013, November 13, 2013, January 02, 2014 and February 11, 2014.

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."

## 3. Audit Committee

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

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

2014, i.e. on May 29, 2013, August 13, 2013, November 13, 2013, and February 11, 2014. 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

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

- Recommend to the Board remuneration to be paid to the Managing Director and Whole-time Directors.
- To review and grant annual increments to

Managing Directors and Whole-time Director

- 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.
- 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 |

The details of remuneration paid to the Director in the whole-time employment with the company during the financial year ended on March 31, 2014 are given hereunder:

(Rs. in Lacs)

| Particulars                                  | Anubha Gupta |
|--|--------------|
| Salary                                       | 0.00         |
| <b>Benefits:</b><br>Allowances & Perquisites | 0.21         |
| Bonus  | 0.00         |
| Pension                                      | 0.00         |



# Palsoft Infosystems Limited

| Particulars  | Anubha Gupta |
|--|--------------|
| Fixed Component Contribution to PF, Superannuation & Gratuity Fund | 0.00         |
| Performance linked Incentive                                       | Nil          |
| Commission   | Nil          |
| Service Agreement  | 3 years      |
| Notice Period  | 1 month      |
| Severance Fee  | Nil          |
| Stock Option   | Nil          |

## Details of shareholding of directors as on March 31, 2014: -

| S.No. | Name of the Director      | No. of equity shares held | %Holding |
|-------|---------------------------|---------------------------|----------|
| 1.    | Smt. Anubha Gupta         | 87,650                    | 2.92     |
| 2.    | Shri Amit Mahipal Gupta   | 62,823                    | 2.09     |
| 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. During the year under review, no meeting of Remuneration Committee was held.

Subsequent to the year end, Remuneration Committee was renamed as Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013.

## 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, 2014 are as follows:

| Name of Members   | Pending at the beginning of the year | No. of complaints |          | Pending at the end of the year |
|---|--------------------------------------|-------------------|----------|--------------------------------|
|   |                                      | Received          | Resolved |                                |
| Shri Naresh Kumar Gupta (Chairman)                          | 0                                    | 2                 | 2        | 0                              |
| Shri Naveen Gupta (Member)                                  |                                      |                   |          |                                |
| Smt. Anubha Gupta (Member)                                  |                                      |                   |          |                                |
| Ms. Payal Gupta (Secretary & Compliance Officer Ex-officio) |                                      |                   |          |                                |

The members of Investors' Grievance Committee met four times during the year ended on March 31, 2014. The meetings were held on May 29, 2013, August 13, 2013, November 13, 2013, and February 11, 2014. All the members were present at the meetings of Investors' Grievance Committee held on above dates.

Subsequent to the year end, Investors' Grievance Committee was renamed as Stakeholder Relationship Committee in accordance with Section 178 of the Companies Act, 2013.

## 6. General Body Meetings

### i. Annual General Meetings

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

| Year    | Location  | Date               | Time       |
|---------|---|--------------------|------------|
| 2010-11 | D-469, Road No.9A,<br>Vishwakarma Industrial Area,<br>Jaipur - 302013 | September 28, 2011 | 4.00 P.M.  |
| 2011-12 | D-469, Road No.9A,<br>Vishwakarma Industrial Area,<br>Jaipur - 302013 | September 28, 2012 | 11.00 A.M. |
| 2012-13 | D-469, Road No.9A,<br>Vishwakarma Industrial Area,<br>Jaipur - 302013 | September 28, 2013 | 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.

# Palsoft Infosystems Limited

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

### 1. AGM held on September 28, 2013:-

- 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, 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.

### 3. 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.

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 2013-14.

## c. Management Discussion & Analysis Report

The Management Discussion & Analysis Report for the year ended 31<sup>st</sup> March, 2014 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.

The Company is not regular in payment of Annual Listing fee to Delhi Stock Exchange Limited and Jaipur Stock Exchange Limited. However, the Company will make the payment at the time of Delisting the shares from the said Stock Exchanges.

## e. Means of Communication

|   |   |
|---|---|
| Quarterly results published in which newspapers | 'Financial Express' / 'Hindustan Times Mint' (English) 'Riwaj Rajasthan Ki' (Hindi) |
| E-mail id for Investors' Grievances             | palsoftinfo@gmail.com   |
| Website of the Company                          | www.palsoft.in  |

## f. General Shareholders' information

### (i) Annual General Meeting

Date and Time : September 30, 2014  
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.

**(iii) Financial Calendar for the year 2014-15 (Tentative)**

| Activity   | Time schedule          |
|--|------------------------|
| Results for the first quarter ending June 30, 2014       | By mid of August '14   |
| Results for the second quarter ending September 30, 2014 | By mid of November '14 |
| Results for the third quarter ending December 31, 2014   | By mid of February '15 |
| Audited Results for the year ending March 31, 2015       | By end of May '15      |

**(iv) Book Closure Date**

Tuesday, September 23, 2014 to Tuesday, September 30, 2014 (both days inclusive)

**(v) Dividend Disclosure**

The Directors have not recommended any dividend for the year ended on March 31, 2014.

**(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.     | BSE Limited                | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400023         | 2014-15                | 511597     |
| 3.     | Delhi Stock Exchange Ltd.  | DSE House, 3/1, Asaf Ali Road, New Delhi -110002                 | 1996-97                | 1276       |

# Palsoft Infosystems Limited

## (vii) Market Price Data

| Month        | Palsoft at BSE |            | BSE Sensex |           |
|--------------|----------------|------------|------------|-----------|
|              | High           | Low        | High       | Low       |
| April-13     | 17.15          | 17.15      | 19,622.68  | 18,144.22 |
| May-13       | No trading     | No trading | 20,443.62  | 19,451.26 |
| June-13      | No trading     | No trading | 19,860.19  | 18,467.16 |
| July-13      | No trading     | No trading | 20,351.06  | 19,126.82 |
| August-13    | No trading     | No trading | 19,569.20  | 17,448.71 |
| September-13 | No trading     | No trading | 20,739.69  | 18,166.17 |
| October-13   | 16.30          | 15.50      | 21,205.44  | 19,264.72 |
| November-13  | No trading     | No trading | 21,321.53  | 20,137.67 |
| December-13  | 14.75          | 14.75      | 21,483.74  | 20,568.70 |
| January-14   | 14.02          | 12.03      | 21,409.66  | 20,343.78 |
| February-14  | No trading     | No trading | 21,140.51  | 19,963.12 |
| March-14     | 12.50          | 11.13      | 22,467.21  | 20,920.98 |

The Company's shares were not traded on the Stock Exchange on a daily basis. Hence, the high and low prices of the shares are given as and when the shares were traded.

## (viii) Share Transfer System, Registrar and 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 upto September 30, 2013**

**M/s MCS Share Transfer Agent Limited w.e.f. October 1, 2013**

**F - 65, Okhla Industrial Area Phase I, New Delhi - 110 020**

**Ph: 011- 41406149 o 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, 2014**

| Category        | Total no. of   |              | Percentage (%) of |               |
|-----------------|----------------|--------------|-------------------|---------------|
|                 | Shares         | Shareholders | Shares            | Shareholders  |
| 1-500           | 680550         | 5633         | 22.66             | 95.51         |
| 501-1000        | 66956          | 87           | 2.23              | 1.47          |
| 1001-2000       | 160012         | 115          | 5.33              | 1.95          |
| 2001-3000       | 52368          | 20           | 1.75              | 0.34          |
| 3001-4000       | 22884          | 7            | 0.76              | 0.12          |
| 4001-5000       | 39130          | 8            | 1.30              | 0.14          |
| 5001-10000      | 74442          | 12           | 2.48              | 0.20          |
| 10001 and Above | 1906758        | 16           | 63.49             | 0.27          |
| <b>Total</b>    | <b>3003100</b> | <b>5898</b>  | <b>100.00</b>     | <b>100.00</b> |

(x) **Shareholding Pattern as on March 31, 2014**

| Category                             | No. of shares  | No. of Shares held in Demat form | Percentage (%) |
|--------------------------------------|----------------|----------------------------------|----------------|
| <b>Promoter &amp; Promoter Group</b> |                |                                  |                |
| Indian Promoters                     | 1716703        | 1707383                          | 57.16          |
| 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             | 165243         | 74013                            | 5.50           |
| Indian Public                        | 1119354        | 503416                           | 37.28          |
| <b>Any other</b>                     |                |                                  |                |
| Clearing Members                     | 1200           | 1200                             | 0.04           |
| NRI/OCB                              | 400            | 400                              | 0.01           |
| Trust & Foundation                   | 0              | 0                                | 0.00           |
| <b>Grand Total</b>                   | <b>3003100</b> | <b>2286612</b>                   | <b>100.00</b>  |

# Palsoft Infosystems Limited

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## (xi) Dematerialisation of Shares

| Particulars                                       | As on 31-03-2014 | %      |
|---|------------------|--------|
| No. of shares held in dematerialized form in NSDL | 2129307          | 70.90  |
| No. of shares held in dematerialized form in CDSL | 157305           | 5.24   |
| Physical form                                     | 716488           | 23.86  |
| Total   | 3003100          | 100.00 |

## (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 2013-14.

**Place : Jaipur**  
**Dated : 12.08.2014**

**Sd/-**  
**(ANUBHA GUPTA)**  
**Whole-time Director**  
**DIN : 02914072**

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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**  
**DIN : 02914072**

**Sd/-**  
**(Amit Mahipal Gupta)**  
**Director**  
**DIN : 00058701**

**Sd/-**  
**(Naveen Gupta)**  
**Director**  
**DIN : 01335569**

**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, 2014 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, 2014 was pending against the company for a period exceeding one month as per the records maintained by the Shareholders' / Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Dwarka Prasad Agrawal & Associates  
Practicing Company Secretaries**

**Sd/-  
(Dwarka Prasad Agrawal)  
Proprietor  
CP No. 6010**

**Place: Jaipur  
Date: 12.08.2014**

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 21<sup>st</sup> Report and audited accounts for the financial year ended on March 31, 2014.

### FINANCIAL RESULTS

(Rs. in Lacs)

| PARTICULARS   | 2013-14      | 2012-13 |
|---|--------------|---------|
| Total Income  | <b>32.65</b> | 28.50   |
| Profit/(Loss) before Depreciation & Provisions                    | <b>0.44</b>  | 0.01    |
| Depreciation  | <b>0.14</b>  | 0.15    |
| Provisions for Doubtful Debts & Diminution in value of Investment | <b>0.00</b>  | 89.30   |
| Provisions written back   | <b>0.00</b>  | 89.83   |
| Tax Expenses  | <b>0.00</b>  | 0.00    |
| Net Profit/(Loss)   | <b>0.30</b>  | 0.39    |

### OPERATIONS

During the year under review, the Company earned total income of Rs.32.65 Lacs as against Rs.28.50 Lacs during the year 2012-13. However, the Net Profit for the year under review was Rs.0.30 Lacs as compared to a profit of Rs.0.39 Lacs during the year 2012-13.

### 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 Audit Committee has recommended to the Board, the re-appointment of M/s Kalani & Company, Chartered Accountants, Jaipur, the present Auditors of the Company as Statutory Auditors of the Company from the conclusion of forthcoming Annual General Meeting for a period of 3 years till the conclusion of 24<sup>th</sup> Annual General Meeting of the Company to be held in 2017, subject to approval of the shareholders at the Annual General Meeting. The auditors have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with Section 141 of the Companies Act, 2013.

### COST AUDITORS

During the year, Board had appointed PRJ & Associates, Cost Accountant to furnish Compliance certificate under Companies (Cost Accounting Records) Rules, 2011. The Company shall duly file the Compliance certificate for the financial year ended March 31, 2014 with the Ministry of Corporate Affairs.

### AUDITOR'S OBSERVATIONS

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

### DIRECTORS

There was no change in composition of Board of Directors during the financial year 2013-14. As per the provisions of newly applicable Companies Act, 2013, Shri Naveen Gupta will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible seeks re-appointment. To



# Palsoft Infosystems Limited

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comply with the provisions of Section 149 and other applicable provisions of Companies Act, 2013, the Board has recommended appointment of Shri Naresh Kumar Gupta and Shri Rajendra Prasad Daga as Independent Directors of the Company for a period of five years as mentioned in the notice of the forthcoming Annual General Meeting.

## **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.

## **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.

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

**For and on behalf of the Board of Directors**

**Place : Jaipur**

**Date : 12.08.2014**

**Sd/-  
(Anubha Gupta)  
Whole-time Director  
DIN : 02914072**

**Sd/-  
(Naveen Gupta)  
Director  
DIN : 01335569**

## **ANNEXURE I**

### **I. CONSERVATION OF ENERGY:**

- (a) Energy conservation measures taken – Energy conservation measures have been implemented and are continuously monitored to ensure energy efficient environment.
- (b) Additional investments and proposals if any, being implemented for reduction of consumption of energy – Nil
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – Nil
- (d) Total energy consumption and energy consumption per unit of production – Nil

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

- A. Power and fuel consumption: Nil
- B. Consumption per unit of production: Nil

### **II. TECHNOLOGY ABSORPTION**

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

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

### **III. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- I. Earnings in Foreign Exchange during the year: NIL
- II. Foreign Exchange outgo during the year: NIL

**For and on behalf of the Board of Directors**

**Place : Jaipur**

**Date : 12.08.2014**

**Sd/-  
(Anubha Gupta)  
Whole-time Director  
DIN : 02914072**

**Sd/-  
(Naveen Gupta)  
Director  
DIN : 01335569**

# Palsoft Infosystems Limited

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## COMPLIANCE CERTIFICATE

CIN No. L72200RJ1994PLC008112

Nominal Capital : Rs. 500 Lacs

Paid-up Capital : Rs. 300.31 Lacs

To,  
The Members,  
Palsoft Infosystems Limited,  
Jaipur.

The Company has maintained the registers, records, books and papers 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, 2014 (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. However, there was delay in filing two forms with Registrar of Companies and the Company had paid the Additional Fee in this respect.
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 Tuesday, September 24, 2013 to Saturday, September 28, 2013 (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 April 30, 2013, May 29, 2013, August 13, 2013, October 17, 2013, November 13, 2013, January 02, 2014, and February 11, 2014 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 2013 was held on September 28, 2013 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. The Company had duly complied with the provision of Section 297 of the Companies Act, 1956.
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 Smt. Anubha Gupta. Also, Smt. Anubha Gupta had foregone her remuneration except perquisites w.e.f. January 1, 2014 to December 31, 2014.
  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. The Company had received money from one Director at one instance to meet the day today expenses during the year under review. However, as on date same has been repaid by the Company. There was no amount borrowed by the Company from members, public, financial institutions, banks during the financial year ending March 31, 2014 and as such the provisions of Section 293 (1) (d) of the Companies Act, 1956 is not applicable.
  25. The Company has not made investments in other body corporate during the year under review.
  26. The Company has not altered the provision of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
  27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
  29. The company has not altered the 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.

**For Palsoft Infosystems Limited**

**Sd/-**

**(PAYAL GUPTA)**

**Company Secretary**

**Place : Jaipur**

**Date : 12.08.2014**

# Palsoft Infosystems Limited

## ANNEXURE 'A'

REGISTERS AS MAINTAINED BY COMPANY/ REGISTRAR & SHARE TRANSFER AGENT UNDER COMPANIES ACT, 1956 AS ON MARCH 31, 2014.

| 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, 2014.

| 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. 25C                                 | 269(2)                | 01/01/2013             | 27/09/2013     | No                        | Yes   |
| 2.     | Form No.23                                   | 192                   | 20/12/2012             | 27/09/2013     | No                        | Yes   |
| 3.     | Form No. 66                                  | Proviso to Sec. 383 A | 31/03/2013             | 07/10/2013     | Yes                       | N.A.  |
| 4.     | Form No. 23                                  | 192                   | 28/09/2013             | 16/10/2013     | Yes                       | N.A.  |
| 5.     | Form No.23B                                  | 224 (1A)              | 28/09/2013             | 15/10/2013     | Yes                       | N.A.  |
| 6.     | Form No.23AC - XBRL and Form No.23ACA - XBRL | 220                   | 31/03/2013             | 26/10/2013     | Yes                       | N.A.  |
| 7.     | Form No.20B                                  | 159                   | 28/09/2013             | 25/11/2013     | Yes                       | N.A.  |

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## INDEPENDENT AUDITOR'S REPORT

**To the Members of**

**PALSOFT INFOSYSTEMS LIMITED**

### **Report on the Financial Statements**

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

### **Management Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the

financial statements. The procedure selected depends upon auditor's judgement, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

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

### **Opinion**

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by Central Government of India in terms of sub-section (4A) of Section 227 of the Act, We give in the Annexure

# Palsoft Infosystems Limited

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a statements on the matters specified in paragraphs 4 and 5 of the order.

2. As required by Section 227(3) of the Act, we report that:
- We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - 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;
  - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For KALANI & COMPANY**

Chartered Accountants

FRN- 000722C

Sd/-

[Deepak Khandelwal]

Partner

M. No. 409520

Place : Jaipur

Date : 30.05.2014

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

# **Palsoft Infosystems Limited**

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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 of Signature: Jaipur**

**Date: 30.05.2014**

**For KALANI & COMPANY**

**Chartered Accountants**

**FRN- 000722C**

**Sd/-**

**[Deepak Khandelwal]**

**Partner**

**M. No. 409520**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

| PARTICULARS                       | Note No | (Amount in Rs.)                       |                                       |
|-----------------------------------|---------|---------------------------------------|---------------------------------------|
|                                   |         | As at<br>31 <sup>st</sup> March, 2014 | As at<br>31 <sup>st</sup> March, 2013 |
| <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>(35,964,851)</b>                   | (35,995,071)                          |
| <b>2 Non-current liabilities</b>  |         |                                       |                                       |
| <b>3 Current liabilities</b>      |         |                                       |                                       |
| (a) Other current liabilities     | 2.3     | <b>10,581,964</b>                     | 10,551,256                            |
| <b>TOTAL</b>                      |         | <b>4,648,113</b>                      | 4,587,185                             |
| <b>II ASSETS</b>                  |         |                                       |                                       |
| <b>1 Non-current assets</b>       |         |                                       |                                       |
| (a) Fixed assets                  | 2.4     |                                       |                                       |
| (i) Tangible assets               |         | <b>98,860</b>                         | 84,824                                |
| (b) Non-Current Investments       | 2.5     | <b>88,725</b>                         | 88,725                                |
| (d) Long-term loans and advances  | 2.6     | <b>119,200</b>                        | 119,200                               |
| <b>2 Current assets</b>           |         |                                       |                                       |
| (a) Current investments           |         | -                                     | -                                     |
| (b) Inventories                   |         | -                                     | -                                     |
| (c) Trade receivables             | 2.7     | <b>33,500</b>                         | -                                     |
| (d) Cash and Cash equivalents     | 2.8     | <b>64,470</b>                         | 46,802                                |
| (e) Short-term loans and advances | 2.9     | <b>3,743,358</b>                      | 3,747,634                             |
| (f) Other current assets          | 2.10    | <b>500,000</b>                        | 500,000                               |
| <b>TOTAL</b>                      |         | <b>4,648,113</b>                      | 4,587,185                             |

SIGNIFICANT ACCOUNTING POLICIES &  
NOTES ON FINANCIAL STATEMENTS 1 to 2

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

Sd/-  
**(Anubha Gupta)**  
Whole Time Director  
DIN - 02914072

Sd/-  
**(Amit Mahipal Gupta)**  
Director  
DIN - 00058701

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

In terms of our Audit Report of even date

For Kalani & Company  
Chartered Accountants  
FRN-000722C

Sd/-  
**(Deepak Khandelwal)**  
Partner  
M.No. 409520

Place : Jaipur  
Date : 30.05.2014

# Palsoft Infosystems Limited

## STATEMENT OF PROFIT AND LOSS THE YEAR ENDING 31<sup>ST</sup> MARCH, 2014

| PARTICULARS  | Note No | (Amount in Rs.)                                    |  |
|--|---------|--|--|
|  |         | For the Year Ended<br>31 <sup>st</sup> March, 2014 | For the year Ended<br>31 <sup>st</sup> March, 2013 |
| I. Revenue From Operations   | 2.11    | 3,265,000  | 2,850,000  |
| II. Other income   | 2.12    | –  | 781  |
| <b>III. Total Revenue</b>  |         | <b>3,265,000</b>                                   | <b>2,850,781</b>                                   |
| <b>IV. Expenses</b>  |         |  |  |
| Employee benefits expenses   | 2.13    | 2,778,465  | 2,445,556  |
| Depreciation and amortization expenses                                       | 2.4     | 14,209   | 14,593   |
| Finance costs  | 2.14    | 15,153   | 5,514  |
| Other expenses (Administrative & Selling Expenses)                           | 2.15    | 426,954  | 393,736  |
| <b>V. Total expenses</b>   |         | <b>3,234,780</b>                                   | <b>2,864,399</b>                                   |
| <b>VI. Profit (Loss) before exceptional items</b>                            |         | <b>30,220</b>                                      | <b>(13,617)</b>                                    |
| <b>VII. Exceptional items:</b>   |         |  |  |
| Loss on Sale of Investment   |         | –  | 8,930,378  |
| Provision for Diminution in value of Investment                              |         | –  | –  |
| Provision for Diminution in value of Investment written back during the year |         | –  | –  |
| <b>VIII. PROFIT (LOSS) FOR THE YEAR (VI-VII)</b>                             |         | <b>30,220</b>                                      | <b>39,144</b>                                      |
| <b>IX. EARNINGS PER EQUITY SHARE</b>   |         |  |  |
| Equity shares of par value Rs.10/- each                                      |         |  |  |
| (1) Basic  |         | 0.01   | 0.01   |
| (2) Diluted  |         | 0.01   | 0.01   |
| 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 Ltd

In terms of our Audit Report of even date

Sd/-  
(Anubha Gupta)  
Whole Time Director  
DIN - 02914072

Sd/-  
(Amit Mahipal Gupta)  
Director  
DIN - 00058701

Sd/-  
(Payal Gupta)  
Company Secretary

For Kalani & Company  
Chartered Accountants  
FRN-000722C

Place : Jaipur  
Date : 30.05.2014

Sd/-  
(Deepak Khandelwal)  
Partner  
M.No. 409520

## **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 Principle (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

# Palsoft Infosystems Limited

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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.

## 2. Notes on Accounts of the Year Ended 31<sup>st</sup> March 2014

| PARTICULARS   | As at<br>31 <sup>st</sup> March, 2014<br>(Amt. in Rs.) | As at<br>31 <sup>st</sup> March, 2013<br>(Amt. in Rs.) |
|---|--|--|
| <b>SHARE HOLDER'S FUNDS</b>                                     |  |  |
| <b>Note No. 2.1 Share Capital</b>                               |  |  |
| <b>Authorised Share Capital</b>                                 |  |  |
| 50,00,000 (50,00,000) Equity Shares of Rs 10 each fully paid up | <b>50,000,000</b>                                      | 50,000,000   |
| <b>Issued, Subscribed &amp; Paid up</b>                         |  |  |
| 30,03,100 (30,03,100) Equity Shares of Rs 10 each fully paid up | <b>30,031,000</b>                                      | 30,031,000   |
| <b>Total</b>  | <b><u>30,031,000</u></b>                               | <u>30,031,000</u>                                      |

\*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><u>3,003,100</u></b> | <u>3,003,100</u> |

**Shareholder holding more than 5 percent shares**

| Name of Shareholder   | As at 31 <sup>st</sup> March, 2014 |               | As at 31 <sup>st</sup> March, 2013 |               |
|-----------------------|------------------------------------|---------------|------------------------------------|---------------|
|                       | No of Shares held                  | % of Holding  | No of Shares held                  | % of Holding  |
| Usha Gupta            | 432,840                            | 14.41%        | 432,640                            | 14.41%        |
| Shri Mahipal Gupta    | 395,460                            | 13.17%        | 395,460                            | 13.17%        |
| Autolite (India) Ltd. | 508,920                            | 16.95%        | 508,920                            | 16.95%        |
| <b>Total</b>          | <b>1,337,220</b>                   | <b>44.53%</b> | <b>1,337,020</b>                   | <b>44.52%</b> |

**Note No 2.2 Reserve & Surplus**

| PARTICULARS  | As at<br>31 <sup>st</sup> March, 2014<br>(Amt. in Rs.) | As at<br>31 <sup>st</sup> March, 2013<br>(Amt. in Rs.) |
|--|--|--|
| <b>A. Securities Premium</b>                                     |  |  |
| Opening Balance  | <b>30,030,300</b>                                      | 30,030,300   |
| Add: Current Year Transfer                                       | -  | -  |
| Less: Written Back in Current Year                               | -  | -  |
| Closing Balance  | <u><b>30,030,300</b></u>                               | <u>30,030,300</u>                                      |
| <b>B. Surplus</b>  |  |  |
| Opening balance  | <b>(66,025,371)</b>                                    | (66,064,514)   |
| Add: Profit (Loss) Transferred from Statement of Profit and Loss | <b>30,220</b>  | 39,144   |
| <b>Amount available for Appropriation</b>                        | <u><b>(65,995,151)</b></u>                             | <u>(66,025,371)</u>                                    |
| Less: Appropriation  | -  | -  |
| Closing Balance  | <u><b>(65,995,151)</b></u>                             | <u>(66,025,371)</u>                                    |
| <b>Total</b>   | <u><b>(35,964,851)</b></u>                             | <u>(35,995,071)</u>                                    |



# Palsoft Infosystems Limited

| PARTICULARS                                  | As at<br>31 <sup>st</sup> March, 2014<br>(Amt. in Rs.) | As at<br>31 <sup>st</sup> March, 2013<br>(Amt. in Rs.) |
|--|--|--|
| <b>Note No 2.3 Other Current Liabilities</b> |  |  |
| <b>Other Payable</b>                         |  |  |
| Statutory Liability (Duties & Taxes)         | 2,609,945  | 2,608,253  |
| Salary payable                               | 568,878  | 249,142  |
| Payable against expenses                     | 393,808  | 325,531  |
| Outstanding Expenses                         | 149,790  | 149,790  |
| Others                                       | 6,764,640  | 7,153,097  |
| SD from Staff                                | 72,281   | 42,821   |
| Share Application Money (Refundable)         | 22,622   | 22,622   |
| <b>Total</b>                                 | <b>10,581,964</b>                                      | <b>10,551,256</b>                                      |

## NON CURRENT ASSETS

### Note No 2.5 Non-Current Investment

| Non-Current, Non-Trade, At Cost                       | 2013-14       | 2012-13       |                |               |
|---|---------------|---------------|----------------|---------------|
| Investment  | 124,740       | 124,740       |                |               |
| Less: Provision for Diminution in value of Investment | <u>36,015</u> | <u>36,015</u> | <b>88,725</b>  | <b>88,725</b> |
| <b>Total</b>  |               |               | <b>88,725</b>  | <b>88,725</b> |
| Cost of Investment (Gross)                            |               |               | <b>124,740</b> | 124,740       |
| Market Value of Investment                            |               |               | <b>170,291</b> | 197,214       |

### Note No 2.6 Long Term Loans and Advances

| Unsecured and considered Doubtful | 2013-14           | 2012-13           |                |                |
|-----------------------------------|-------------------|-------------------|----------------|----------------|
| Loans-Alwar Auto P Ltd            | 12,222,500        | 12,222,500        |                |                |
| Less: Provision                   | <u>12,222,500</u> | <u>12,222,500</u> | -              | -              |
| Security Deposit                  |                   |                   | <b>119,200</b> | 119,200        |
| <b>Total</b>                      |                   |                   | <b>119,200</b> | <b>119,200</b> |

**Note No. 2.4 Fixed Assets**

| PARTICULARS                    | GROSS BLOCK         |                                | DEPRECIATION                    |                     | Lease<br>Terminal<br>Adjustment<br>31.03.2014 | Assets<br>Provision<br>as per<br>RBI Norms | NET BLOCK        |                                 |                     |                     |
|--------------------------------|---------------------|--------------------------------|---------------------------------|---------------------|---|--|------------------|---------------------------------|---------------------|---------------------|
|                                | As at<br>01.04.2013 | Addition<br>during<br>the year | Deduction<br>during<br>the year | As at<br>31.03.2014 |   |  | For the<br>year  | Deduction<br>during<br>the year | Up to<br>31.03.2014 | As at<br>31.03.2014 |
| <b>(A) LEASE ASSETS :</b>      |                     |                                |                                 |                     |   |  |                  |                                 |                     |                     |
| (a) Plant & Machinery          | 82,060              | -                              | -                               | 82,060              | 29,610  | -  | 29,610           | -                               | -                   | -                   |
| (b) Vehicles                   | 144,244             | -                              | -                               | 144,244             | 84,727  | -  | 84,727           | 44,161                          | 13,778              | 1,578               |
| <b>TOTAL (A)</b>               | <b>226,304</b>      | <b>-</b>                       | <b>-</b>                        | <b>226,304</b>      | <b>114,337</b>                                | <b>-</b>                                   | <b>114,337</b>   | <b>44,161</b>                   | <b>66,228</b>       | <b>1,578</b>        |
| <b>(B) ASSETS IN OWN USE :</b> |                     |                                |                                 |                     |   |  |                  |                                 |                     |                     |
| (a) Furniture & Fixtures       | 143,338             | -                              | -                               | 143,338             | 134,523                                       | 558  | 135,081          | -                               | -                   | 8,257               |
| (b) Computers                  | 1,076,827           | 28,245                         | -                               | 1,105,072           | 1,005,199                                     | 13,518                                     | 1,018,717        | -                               | -                   | 86,356              |
| (c) Office Equipments          | 12,000              | -                              | -                               | 12,000              | 9,198   | 133  | 9,331            | -                               | -                   | 2,669               |
| <b>TOTAL (B)</b>               | <b>1,232,166</b>    | <b>28,245</b>                  | <b>-</b>                        | <b>1,260,411</b>    | <b>1,148,920</b>                              | <b>14,209</b>                              | <b>1,163,129</b> | <b>-</b>                        | <b>-</b>            | <b>97,282</b>       |
| <b>GRAND TOTAL (A+B)</b>       | <b>1,458,470</b>    | <b>28,245</b>                  | <b>-</b>                        | <b>1,486,715</b>    | <b>1,263,257</b>                              | <b>14,209</b>                              | <b>1,277,466</b> | <b>44,161</b>                   | <b>66,228</b>       | <b>98,860</b>       |
| <b>PREVIOUS YEAR</b>           | <b>1,458,470</b>    | <b>-</b>                       | <b>-</b>                        | <b>1,458,470</b>    | <b>1,248,664</b>                              | <b>14,593</b>                              | <b>1,263,257</b> | <b>44,161</b>                   | <b>66,228</b>       | <b>84,824</b>       |
|                                |                     |                                |                                 |                     |   |  |                  |                                 |                     | <b>99,416</b>       |

# Palsoft Infosystems Limited

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

| S. No.                            | Particulars                                  | No. of Shares | Face Value Per Share (Rs.) | Cost per Unit (Rs.) | Cost of Investments (Rs.) | Market Rate 31.03.2014 Per Share (Rs.) | Market Price As at 31.03.2014 (Rs.) | Cost As at 31.03.2013 (Rs.) | Market Value or Cost Whichever is Lower |
|-----------------------------------|--|---------------|----------------------------|---------------------|---------------------------|--|-------------------------------------|-----------------------------|---|
| <b>(A) QUOTED INVESTMENTS :</b>   |  |               |                            |                     |                           |  |                                     |                             |   |
| 1                                 | Autopal Industries Limited                   | 5,300         | 10                         | 4                   | 19,875                    | 1.40                                   | 7,420                               | 19,875                      | 7,420                                   |
| 2                                 | Associated Alcohols & Brewries               | 300           | 10                         | 4                   | 1,125                     | 17.00                                  | 5,100                               | 1,125                       | 1,125                                   |
| 3                                 | Bagari Minerals & Chemicals Ltd.             | 600           | 10                         | 1                   | 600                       | -                                      | -                                   | 600                         | -                                       |
| 4                                 | BCL Financial Services Ltd.                  | 300           | 10                         | 2                   | 600                       | -                                      | -                                   | 600                         | -                                       |
| 5                                 | Daewoo Motors India Limited                  | 1,000         | 10                         | 7                   | 6,900                     | 6.71                                   | 6,710                               | 6,900                       | 6,710                                   |
| 6                                 | Mardia Steels Limited                        | 1,700         | 10                         | 2                   | 2,720                     | -                                      | -                                   | 2,720                       | -                                       |
| 7                                 | Godrich Fin. & Sec. Ltd.                     | 7,400         | 10                         | 3                   | 18,500                    | -                                      | -                                   | 18,500                      | -                                       |
| 8                                 | IFM Impex Global Ltd.                        | 2,100         | 10                         | 1                   | 2,100                     | 13.92                                  | 29,232                              | 2,100                       | 2,100                                   |
| 9                                 | KJ International Ltd.                        | 200           | 10                         | 3                   | 550                       | 1.00                                   | 200                                 | 550                         | 200                                     |
| 10                                | PolygentaTechnologies Ltd.                   | 700           | 10                         | 1                   | 700                       | 43.75                                  | 30,625                              | 700                         | 700                                     |
| 11                                | Partap Raj. Special Steels                   | 2,800         | 10                         | 23                  | 63,700                    | 22.75                                  | 63,700                              | 63,700                      | 63,700                                  |
| 12                                | Samrat Ashoka Exports Ltd.                   | 200           | 10                         | 3                   | 600                       | -                                      | -                                   | 600                         | -                                       |
| 13                                | Towel India Exports Ltd.                     | 600           | 10                         | 2                   | 1,170                     | 6.54                                   | 3,924                               | 1,170                       | 1,170                                   |
| 14                                | Unimode Overseas Ltd.                        | 5,600         | 10                         | 1                   | 5,600                     | 5.50                                   | 30,800                              | 5,600                       | 5,600                                   |
|                                   |  | <b>28,800</b> |                            |                     | <b>124,740</b>            |  | <b>170,291</b>                      | <b>124,740</b>              | <b>88,725</b>                           |
|                                   | Less :Provision                              |               |                            |                     | 36,015                    |  |                                     | 36,015                      | -                                       |
|                                   | <b>TOTAL (A)</b>                             |               |                            |                     | <b>88,725</b>             |  |                                     | <b>88,725</b>               |   |
|                                   | Less: Provision already reduced in Books     |               |                            |                     |                           |  |                                     |                             | 36,015                                  |
|                                   | Provision to be written Back                 |               |                            |                     |                           |  |                                     |                             |   |
|                                   | Aggregate market value of Quoted Investments |               |                            |                     | <u>170,291</u>            |  |                                     |                             |   |
| <b>(B) UNQUOTED INVESTMENTS :</b> |  |               |                            |                     |                           |  |                                     |                             |   |
|                                   | Less :Provision                              | -             | -                          | -                   | -                         | -                                      | -                                   | -                           | -                                       |
|                                   | <b>TOTAL (B)</b>                             |               |                            |                     | <u>-</u>                  |  |                                     | <u>-</u>                    |   |
|                                   | <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      | Bagari 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         | Suspended/ Dormant |
| 5      | Samrat Ashoka Exports Ltd.       | 200           | Under Liquidation  |

## 2 Movement of Provision

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

| PARTICULARS   | As at<br>31 <sup>st</sup> March, 2014<br>(Amt. in Rs.) | As at<br>31 <sup>st</sup> March, 2013<br>(Amt. in Rs.) |
|---|--|--|
| <b>CURRENT ASSETS</b>   |  |  |
| <b>Note No 2.7 Trade Receivable</b>   |  |  |
| <b>Unsecured, considered good</b>   |  |  |
| – Debt outstanding for a period exceeding six months from the due date of repayment | –  | –  |
| – Others  | <b>33,500</b>  | –  |
| <b>Unsecured, considered Doubtful</b>   |  |  |
| – Debt outstanding for a period exceeding six months from the due date of repayment | 1,953,494  | 1,953,494  |
| Less: Lease Suspense Account  | 1,564,995  | 1,564,995  |
| Less: Provision for Doubtful Debts  | <u>388,499</u>   | <u>388,499</u>   |
| – Other Debts   | –  | –  |
| <b>Total</b>  | <u><b>33,500</b></u>                                   | <u>–</u>   |
| <br><b>Note No 2.8 Cash &amp; Cash equivalent</b>                                   |  |  |
| <b>Cash on hand</b>   | 4,374  | 9,981  |
| <b>Balance with Banks</b>   |  |  |
| In Current Accounts   | <u>60,096</u>  | <u>36,821</u>  |
| <b>Total</b>  | <u><b>64,470</b></u>                                   | <u>46,802</u>  |
| <br><b>Note No 2.9 Short Term Loans &amp; Advances</b>                              |  |  |
| <b>(a) Unsecured and considered good</b>  |  |  |
| Advances to Lease Assets/Shares/Expenses  | <b>22,901</b>  | 14,677   |
| Advances To Others  | <b>3,720,457</b>                                       | 3,732,957  |
| <b>(b) Unsecured and considered doubtful</b>  |  |  |
| Advances  | 7,970,578  | 7,970,578  |
| Less: Provision   | <u>7,970,578</u>                                       | <u>7,970,578</u>                                       |
| <b>Total</b>  | <u><b>3,743,358</b></u>                                | <u>3,747,634</u>                                       |

# Palsoft Infosystems Limited

| PARTICULARS                              | As at<br>31 <sup>st</sup> March, 2014<br>(Amt. in Rs.) | As at<br>31 <sup>st</sup> March, 2013<br>(Amt. in Rs.) |
|--|--|--|
| <b>Note No 2.10 Other Current Assets</b> |  |  |
| <b>Others</b>                            |  |  |
| Sales Tax Demand Under Dispute           | 500,000  | 500,000  |
| <b>Total</b>                             | <u>500,000</u>   | <u>500,000</u>   |

| PARTICULARS                                 | For the year<br>ending 31.03.2014<br>(Amt. in Rs.) | For the year<br>ending 31.03.2013<br>(Amt. in Rs.) |
|---|--|--|
| <b>Note No 2.11 Revenue From Operations</b> |  |  |
| <b>(a) Sale of Services</b>                 |  |  |
| Sale of Software                            | 3,265,000  | 2,850,000  |
| <b>Total</b>                                | <u>3,265,000</u>                                   | <u>2,850,000</u>                                   |

|   |          |            |
|---|----------|------------|
| <b>Note No 2.12 Other Income</b>        |          |            |
| Profit on Sale of Long term investments | -        | -          |
| Interest Income                         | -        | 781        |
| Dividend Income                         | -        | -          |
| <b>Total</b>                            | <u>-</u> | <u>781</u> |

|  |                  |                  |
|--|------------------|------------------|
| <b>Note No 2.13 Employee Benefits Expenses</b> |                  |                  |
| Salaries and incentives                        | 2,731,050        | 2,355,683        |
| Staff welfare expenses                         | 26,393           | 26,182           |
| Medical Expenditure reimbursed to Directors    | 21,022           | 63,691           |
| <b>Total</b>                                   | <u>2,778,465</u> | <u>2,445,556</u> |

|                                    |               |              |
|------------------------------------|---------------|--------------|
| <b>Note No. 2.14 Finance Costs</b> |               |              |
| Interest on Statutory Dues (VAT)   | 3,580         | 4,220        |
| Interest on Security Deposit       | 4,760         | -            |
| Interest on Others                 | 259           | -            |
| Bank Charges                       | 6,554         | 1,294        |
| <b>Total</b>                       | <u>15,153</u> | <u>5,514</u> |

| PARTICULARS  | For the year<br>ending 31.03.2014<br>(Amt. in Rs.) | For the year<br>ending 31.03.2013<br>(Amt. in Rs.) |
|--|--|--|
| <b>Note No 2.15 Other Expenses (Administrative Expenses)</b> |  |  |
| Advertisement Expenses                                       | 67,972   | 87,114   |
| Fines and Penalties  | 12,593   | -  |
| Communication Expenses                                       | 43,408   | 43,263   |
| Conveyance Expenses  | 205  | 929  |
| Demat Charges  | 64,852   | 67,742   |
| Internet expenses  | 617  | 561  |
| Listing Fees   | 31,012   | 29,454   |
| Legal & professional fees                                    | 45,360   | 23,990   |
| Printing & Stationery  | 55,596   | 39,617   |
| Payment To Auditors  |  |  |
| Audit Fees   | 16,854   | 16,854   |
| Company Law Matter   | 16,854   | 22,472   |
| Taxation Matter  | 5,618  | 5,618  |
| Telephone Expenses   | 53   | -  |
| Traveling Expenses   | 5,594  | -  |
| Rent, Rates & taxes  | 60,000   | 60,000   |
| Miscellaneous Expenses                                       | 366  | 1,122  |
| <b>Total</b>   | <b>426,954</b>                                     | <b>398,736</b>                                     |

**Note No. 2.16 Other Disclosures and Notes**

- (i) There was no contingent liability as on 31.03.2014
- (ii) **Accounting Standard 18 “Related Party Disclosure”**

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

List of related parties where control exists and related parties with whom transactions have taken place and their relationships:

| Relationship                 | Name of Persons  |
|------------------------------|--|
| <b>A. Key Mgmt Personnel</b> | Anubha Gupta<br>Amit Mahipal Gupta<br>Naveen Gupta<br>Naresh Kumar Gupta<br>Rajendra Prasad Daga |

# Palsoft Infosystems Limited

**B. Enterprises over which KMP's have significant influence**

Autolite (India) Limited  
 Autolite Manufacturing Limited  
 Tanishka Autocomponents Pvt. Ltd  
 Autopal Glass Pvt Ltd  
 Autopal Marketing Pvt Ltd

**Transactions entered in during the year**

| Nature of Transaction                      | Refer to in (iii) (A) |         | Refer to in (iii) (B) |            |
|--|-----------------------|---------|-----------------------|------------|
|  | 2013-14               | 2012-13 | 2013-14               | 2012-13    |
| Sale of Software                           |                       |         | 3,265,000             | 2,850,000  |
| Advances Given                             |                       |         | -                     |            |
| Opening Balance                            |                       |         | 7,397,578             | 11,197,578 |
| Add: Advances given During the Year        |                       |         | -                     | -          |
| Less: Amount received back during the year |                       |         | -                     | 3,800,000  |
| Less: Provision for Doubtful recovery      |                       |         | 3,680,578             | 3,680,578  |
| Closing Balance                            |                       |         | 3,717,000             | 3,717,000  |
| Reimbursement of Medical Expenses          | 21,022                | 63,691  |                       |            |
| Rent Paid                                  |                       |         | 60,000                | 60,000     |
| Communication Expenses                     |                       |         | 179                   | 473        |

The Whole Time Director has forgone the salary. Payment is only of medical expenses reimbursement.

(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 Director  
 For Palsoft Infosystems Ltd**

**In terms of our Audit Report of even date**

Sd/-  
**(Anubha Gupta)**  
 Whole Time Director  
 DIN - 02914072

Sd/-  
**(Amit Mahipal Gupta)**  
 Director  
 DIN - 00058701

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

**For Kalani & Company**  
 Chartered Accountants  
 FRN-000722C

Sd/-  
**(Deepak Khandelwal)**  
 Partner  
 M.No. 409520

Place : Jaipur  
 Date : 30.05.2014



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

|  | Current Year<br>2013-14<br>(Amt. in Rs.) | Previous Year<br>2012-13<br>(Amt. in Rs.) |
|--|--|---|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                         |  |   |
| Profit & Loss account  | 30,220                                   | 39,144                                    |
| <b>Adjustment for :</b>  |  |   |
| 1. Depreciation  | 14,209                                   | 14,593                                    |
| 2. (Profit)/Loss on Sale of long term investment                       | -  | 8,930,378                                 |
| 3. Dividend Received   | -  | -   |
| 4. Provision for diminution in value of investment                     | -  | -   |
| 5. Excess Provision for diminution in value of investment written back | -  | (8,983,139)                               |
| <b>Operating Profit Before Change in Working Capital</b>               | <b>44,429</b>                            | <b>975</b>                                |
| <b>Adjusted for change in</b>  |  |   |
| Trade & Other Receivable   | (29,224)                                 | 3,791,177                                 |
| Trade Payable  | 30,708                                   | (4,032,007)                               |
| <b>Operating Cash Flow</b>   | <b>45,913</b>                            | <b>(239,854)</b>                          |
| <b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>                       | <b>45,913</b>                            | <b>(239,854)</b>                          |
| <b>(B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>                        |  |   |
| Sale of Investment   | -  | 4,551,299                                 |
| Dividend Received  | -  | -   |
| Purchase of computer   | (28,245)                                 | -   |
| Payment of Long term Liabilities                                       | -  | (5,154,121)                               |
| <b>NET CASH FROM INVESTMENT ACTIVITIES (B)</b>                         | <b>(28,245)</b>                          | <b>(602,822)</b>                          |
| <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>17,668</b>                            | <b>(842,676)</b>                          |
| Cash and Cash equivalents as on 01.04.2013                             | 46,802                                   | 889,478                                   |
| Cash and Cash equivalents as on 31.03.2014                             | <b>64,470</b>                            | <b>46,802</b>                             |

|                                     |   |  |  |
|-------------------------------------|---|--|--|
|                                     | Sd/-<br>(Anubha Gupta)<br>Whole Time Director<br>DIN - 02914072 | Sd/-<br>(Amit Mahipal Gupta)<br>Director<br>DIN - 00058701 | Sd/-<br>(Payal Gupta)<br>Company Secretary |
| Place : Jaipur<br>Date : 30.05.2014 |   |  |  |

**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, 2014 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 Accountant  
FRN-000722C

Sd/-  
[Deepak Khandelwal]  
Partner  
M. No. 409520

Place : Jaipur  
Date: 30.05.2014



# PALSOFT INFOSYSTEMS LIMITED

CIN : L72200RJ1994PLC008112

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

|                 |  |
|-----------------|--|
| <b>D.P. ID*</b> |  |
|-----------------|--|

## PROXY FORM

|                       |  |
|-----------------------|--|
| <b>Reg. Folio No.</b> |  |
|-----------------------|--|

|                   |  |
|-------------------|--|
| <b>Client Id*</b> |  |
|-------------------|--|

|                           |  |
|---------------------------|--|
| <b>No. of Shares held</b> |  |
|---------------------------|--|

I/We ..... of .....  
in the district of .....  
being a member/member 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 21<sup>st</sup> Annual General Meeting of the company to be held on  
Tuesday, the 30<sup>th</sup> September, 2014 at 11:00 A.M. and at any adjournment thereof.

Signed this ..... day ..... of 2014

|                             |
|-----------------------------|
| Re. 1/-<br>Revenue<br>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

CIN : L72200RJ1994PLC008112

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

|                 |  |
|-----------------|--|
| <b>D.P. ID*</b> |  |
|-----------------|--|

## ATTENDANCE SLIP

|                       |  |
|-----------------------|--|
| <b>Reg. Folio No.</b> |  |
|-----------------------|--|

|                   |  |
|-------------------|--|
| <b>Client Id*</b> |  |
|-------------------|--|

|                           |  |
|---------------------------|--|
| <b>No. of Shares held</b> |  |
|---------------------------|--|

I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of the company held at D-469, Road No. 9A, V.K.I. Area, Jaipur on Tuesday, the 30<sup>th</sup> September, 2014 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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**CIN - L72200RJ1994PLC008112**

**D-469, Road No. 9A**

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