

BOOK - POST

**23<sup>rd</sup> ANNUAL REPORT  
2009-2010**



If undelivered. Please return to :

**PFL INFOTECH LIMITED**

# 201, MOGHAL EMAMI MANSION,  
OPP SHADAN COLLEGE LANE

KAHIRATABAD, HYDERABAD, 500 004, A.P INDIA.

## PFL INFOTECH LIMITED

### BOARD OF DIRECTORS

SRI P.AMRESH KUMAR	CHAIRMAN & MANAGING DIRECTOR
SRI M. JASWANTH REDDY	DIRECTOR
SRI P. SRIKANTH	DIRECTOR
SRI M. RETESH KUMAR	DIRECTOR

### BANKERS

HDFC BANK  
BEGUMPET BRANCH  
HYDERABAD 200 016.

BANK OF BARODA  
ABIDS BRANCH  
HYDERABAD

ALLAHABAD BANK  
VIVEK NAGAR, CHIKKADPALLY  
HYDERABAD 500 020.

### AUDITORS

**Y. RAGHU RAM & CO**  
PLOT NO. 118, PHASE-I,  
KAMALAPUR, 8-3-833/118,  
SRINAGAR COLONY, HYD - 73

### REGISTERED OFFICE

NEEMARGOMULA VILLAGE  
BIBINAGAR MANDAL  
NALGONDA DIST, A.P  
INDIA

### OFFICE

# 201, MOGHAL EMAMI MANSION,  
OPP SHADAN COLLEGE LANE  
KAHIRATABAD, HYDERABAD-500 004, A.P. INDIA.

## PFL INFOTECH LIMITED

PFL INFOTECH LIMITED  
NEEMARGOMALA VILLAGE, BIBI NAGAR MANDAL,  
NALGONDA DISTRICT, (AP)

### NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of M/s. PFL Infotech Limited will be held on 24<sup>th</sup> September, 2010 at Neemargomula Village, Bibinagar Mandal, Nalgonda District, at 10.30 A.M to transact the following business.

### ORDINARY BUSINESS:

#### 1. ADOPTION OF AUDITED ACCOUNTS AND REPORTS

To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and Profit and Loss a/c for the year ended, as on that date and the Directors Report and Auditor's Report thereon.

#### 2. RE-APPOINTMENT OF DIRECTOR

To appoint a director in place of Sri M Jaswanth Reddy who retires by rotation and being eligible offers himself for reappointment.

#### 3. RE-APPOINTMENT OF DIRECTOR

To appoint a director in place of Sri P. Srikanth who retires by rotation and being eligible offers himself for reappointment.

#### 4. APPOINTMENT OF AUDITORS

To appoint Statutory Auditors and fix their remuneration and for this purpose to consider and, if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.

"RESOLVED THAT Y Raghuram & Co, Chartered Accountants, Hyderabad, be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors in consultation with the Auditors."

BY ORDER OF THE BOARD

PLACE : HYDERABAD  
DATE : 27-08-2010

Sd/-  
**(P.AMRESH KUMAR)**  
CHAIRMAN & MANAGING DIRECTOR

## PFL INFOTECH LIMITED

### NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend on a poll to vote instead of himself/herself and such proxy need not be a member.
2. The proxy from duly completed in all respects should reach the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Register of members and share transfer books of the company will remain closed from 22-09-2010 to 24-09-2010 (both days inclusive)

## PFL INFOTECH LIMITED

### DIRECTORS REPORT

To

The Members

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report of the Company together with the Audited Financial Accounts for the year ended 31st March, 2010

(Rs. in lakhs)

### FINANCIAL RESULTS

Particulars	2009-2010	2008-2009
Net Sales / Income	39.65	80.76
Total Expenditure	32.72	65.72
Gross Operating Profit	6.93	15.04
Interest and Finance Charges	0	0
Depreciation	3.88	13.61
Profit before Tax/Loss	3.04	1.43
Provision for Tax	0.31	0.14
Net Profit/Loss	2.73	1.29
Paid-up Equity Share Capital	747.81	632.81
Reserves excluding		
Revaluation Reserves	692.63	660.42
Earnings Per Share	0.04	0.02

**REVIEW OF OPERATIONS**

The total turnover of the company for the year ended 31<sup>st</sup> March, 2010 amounted to Rs. 39.65 lakhs as against Rs.80.76 lakhs in the previous year. The Profit before tax for the year under review after depreciation and interest amounted to Rs.3.04 lakhs as against Rs. 1.43 lakhs in the previous year.

The company continued with its activity of trading operations and was unable to take up any other activity. The company has been evaluating certain real estate and infrastructure projects which are under active consideration and finalization.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the company's Articles of Association Sri M Jaswanth Reddy and Sri M. Retesh Kumar retire by rotation and being eligible offer themselves for reappointment.

**FIXED DEPOSITS**

The Company has not accepted any fixed deposits and the provisions of Section 58A of the Companies Act, 1956 are not applicable to the company.

**AUDITORS**

The term of office of M/s.Y Raghuram & Co, Chartered Accountants, Hyderabad, expires at the conclusion of the ensuing Annual General Meeting. However, being eligible they offer themselves for re-appointment.

The company has received a letter from M/S Y Raghuram & Co stating that their re-appointment, if made for another term, will be within the limits laid down under Section 224 (1B) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTFLOW**

Information required to be furnished under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 is furnished below:

**CONSERVATION OF ENERGY**

(A) The Operations of the company are not power intensive nevertheless the company continues its efforts to minimize energy wherever practicable by economizing on the use of power at the farms, hatchery and offices.

(B) Technology Absorption NIL

(C) Foreign exchange earnings NIL

(D) Foreign exchange outflow NIL

**INDUSTRIAL RELATIONS**

During the year under review the industrial relations were cordial.

**EMPLOYEE RELATIONS**

The employee relations continue to be satisfactory during the year under review. There are no employees whose particulars are to be furnished as per the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules 1975.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with Section 217 (2AA) of the Companies Act, 1956 the Directors of the Company hereby state that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed:
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 a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year:
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for reflecting and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

**CORPORATE GOVERNANCE**

As required by Clause 49 of the listing Agreement with the Stock Exchanges, Report on Corporate Governance along with Compliance Certificate is annexed hereto.

**LISTING INFORMATION**

The Equity shares are listed on the Stock Exchanges at Mumbai and Hyderabad. The company has paid the Annual Listing Fee for the Year 2010-2011.

**ACKNOWLEDGEMENTS**

Your Directors convey their sincere thanks and place on record their appreciation of the continued assistance and co-operation extended to the company by Banks, Government and semi-Government Departments, Customers, marketing Agents and suppliers and in particular Shareholders for the confidence reposed in the Company.

Your Directors also thank all the employees of the Company for their dedicated service without which your company would not have achieved these results.

FOR AND ON BEHALF OF THE BOARD

PLACE: HYDERABAD  
DATE: : 27-08-2010

Sd/-  
**(P.AMRESH KUMAR)**  
CHAIRMAN & MANAGING DIRECTOR

**CORPORATE GOVERNANCE REPORT**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company is continuously making efforts for improving the Corporate Governance practices in the company which can contribute substantially in achieving good governance and thus resulting in enhancement of value to its stakeholders, customers, employees, Banks, Government Agencies, etc.

**2. BOARD OF DIRECTORS**

The constitution of the Board is given below:

NAME OF THE DIRECTOR	STATUS	NO. OF OTHER PUBLIC DIRECTORSHIPS (*)	NO. OF MEMBERS ON BOARD COMMITTEES
<b>P. Amresh Kumar</b>	Chairman & Managing Director, Promoter	Nil	2
<b>M. Jaswanth Reddy</b>	Director	Nil	1
<b>P. Srikanth</b>	Director	Nil	1
<b>M. Retesh Kumar</b>	Director	Nil	1

(\*) This excludes Directorships in Indian Private Limited Companies, membership of Managing Committees of various Chambers/bodies.

**3. AUDIT COMMITTEE**

An Audit Committee of the Company was constituted at the meeting of the Board of Directors held on 23<sup>rd</sup> June 2003 w.e.f., 1<sup>st</sup> July 2003. The said committee comprises of two directors P. Amresh Kumar and Sri M.Jaswanth Reddy.

**TERMS OF REFERENCE**

The terms of reference of the Audit Committee includes:

- To review the internal control systems
- To review Quarterly and Half-yearly results
- To review the accounting and financial policies and practices
- To review reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.

During the financial year ended 31<sup>st</sup> March 2010, Five meetings of the Committee were held on 23<sup>rd</sup> April 2009, 28<sup>th</sup> July 2009, 03<sup>rd</sup> September 2009, 30<sup>th</sup> October 2009, 30<sup>th</sup> January 2010. The attendance of each member of the Committee is given below:

NAME OF THE DIRECTOR	NO. OF MEETINGS ATTENDED
P Amresh Kumar	5
M.Jaswanth Reddy	5

**11. SHARE TRANSFER COMMITTEE**

The Share Transfer Committee comprising of P. Amresh Kumar and Mr. P Srikanth have been assigned the work of redressal of investors / Shareholders complaints along with approval of share transfer, sub-division/consolidation of shares, etc. The Committee oversees the performance of Registrar and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The Share Transfers/Transmissions approved by the committee are placed at the Board Meeting from time to time.

**COMPLIANCE OFFICER**

Mr Vishweswar Rao, Finance Manager is the Compliance Officer of the company.

**5.REMUNERATION OF DIRECTORS**

The details of remuneration paid to Directors are given below :

NAME OF THE DIRECTOR	RELATIONSHIP WITH OTHER DIRECTORS	SITTING FEE (Rs.)	SALARY & PERK (Rs.)	TOTAL (Rs.)
MR. P Amresh Kumar	Related to Mr. P.Srikanth	—	3,00,000/-	3,00,000/-
SRI M. Jaswanth Reddy	None	2000	0/-	0/-
SRI P. Srikanth	Related to Mr. P.Amresh Kumar	2000	0/-	0/-
SRI M. Retesh Kumar	None	2000	0/-	0/-
<b>TOTAL</b>				3,00,000/-

**6. BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS, ANNUAL GENERAL MEETINGS**

The Board of Directors of the company met 7 (Seven) times during the last financial year i.e., 23<sup>rd</sup> April 2009, 28<sup>th</sup> July 2009, 03<sup>rd</sup> September 2009, 30<sup>th</sup> October 2009, 30<sup>th</sup> January 2010, 15<sup>th</sup> February 2010. 15<sup>th</sup> March 2010. The company placed before the Board the annual operating plans and budgets and performance of the company from time to time.

The attendance at the Board Meeting and Annual General Meetings was as under:

NAME OF THE DIRECTOR	ATTENDANCE AT ANNUAL GENERAL MEETING	ATTENDANCE AT BOARD MEETINGS
MR. P Amresh Kumar	YES	7
SRI M. Jaswanth Reddy	YES	7
Sri P Srikanth	YES	7
Sri M Retesh Kumar	YES	7

**7. DISCLOSURES**

Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its Promoters, the directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.

During the year, there were no transactions of material nature with the Directors or the Management or the subsidiaries or relatives that had potential conflict with the interests of the company.

**8. AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

A Certificate from the Auditors is enclosed along with this report.

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## PFL INFOTECH LIMITED

### SHAREHOLDER'S INFORMATION

A Registered Office	PFLInfotech Ltd. Neemargomala Village, Bibinagar Mandal, Nalgonda District, A.P
B Annual General Meeting Date & Time Venue	24 <sup>th</sup> September 2010 at 10.30 AM PFLInfotech Ltd. Neemargomala Village, Bibinagar Mandal, Nalgonda District, A.P
C Financial Calendar Financial Reporting for Quarter ending June, 30 2009 Quarter ending September, 30 2009 Quarter ending December, 31 2009 Quarter ending March 31, 2010 Annual General meeting for FY ended 31 <sup>st</sup> March 2010	Last week of July 2009 Last week of October 2009 Last week of January 2010 Last week of April 2010
D Date of Book Closure	22-09-2010 to 24-09-2010
E Dividend Payment Date	NotApplicable
F Dividend Payment Date	<b>The Hyderabad Stock Exchange</b> Adjacent to Erramanzil Bus Stop, Somajiguda, Hyderabad-82 And <b>Bombay Stock Exchange</b> Limited, P J Towers, Dalal Street, Mumbai – 400 001.

## PFL INFOTECH LIMITED

G BSE Stock Code	531769
H Stock Market Data	
I Registrar and Share Transfer Agents	<b>Bigshare Services Pvt Ltd.</b> G-10, Left Wing, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad. 500082.
J Share Transfer System	Generally the shares have been transferred and returned in 30 days from the date of receipt, so long as the documents have been clear in all respects.
K Share Transfer Committee	The Share Transfer Committee generally meets once a fortnight.
L Investor Relations	The Company has been able to substantially improve its investor relations.



## PFL INFOTECH LIMITED

### M) Distribution of shareholding as on 31<sup>st</sup> March 2010.

Share or Debenture holding of nominal value of		Share / Debenture holders		Share / Debenture Amount		
Rs.	Rs.	Number	% to total	(In Rs.)	% to total	
-1-		-2-	-3-	-4-	-5-	
1	—	5,000	299	32.68	682,050	0.91
5,001	—	10,000	135	14.75	1,264,590	1.69
10,001	—	20,000	115	12.57	2,011,750	2.69
20,001	—	30,000	51	5.57	1,374,400	1.84
30,001	—	40,000	27	2.95	998,840	1.34
40,001	—	50,000	51	5.57	2,529,950	3.38
50,001	—	1,00,000	77	8.42	6,161,240	8.24
1,00,001 and above		160	17.49	59,758,180	79.91	
<b>Total</b>		<b>915</b>	<b>100</b>	<b>74,781,000</b>	<b>100.00</b>	

### N) SHAREHOLDING PATTERN FOR THE QUARTER ENDED: 31.03.2010

Sl. No	Category	No. of Shares held	Percentage Of Shareholding above 1 %
<b>A</b>	<b>Promoter's Holding</b>		
	Promoters		
	<u>Indian Promoters:</u>		
	P.Amresh Kumar (Director)	1076235	14.39 %
	P.Srikanth (Director)	14847	0.20 %
	<u>Foreign Promoters:</u>	NIL	NIL
2	Persons acting in concert		
	Sub-Total	1091082	14.59 %
<b>B</b>	<b>Non-promoters Holding</b>		
3	Institutional investors	6312	0.08 %
A	Mutual Funds and UTI(Govt.FinancialInstitutions)	NIL	NIL
B	Banking, Financial Institutions/ InsuranceCompanies(Central/ StateGovernment Institutions/Non-Government Institutions)	NIL	NIL
C	FII's	NIL	NIL
	Sub-Total	6312	0.08 %
4	Others		
a.	Private corporate Bodies	553565	7.40 %
b.	Indian Public	5825941	77.91 %
c.	NRIs/OCBs	1200	0.02 %
d.	Any other (Clearing Member)		
	Sub-Total	6380706	85.33 %
	<b>Grand Total</b>	<b>7478100</b>	<b>100.00 %</b>

## PFL INFOTECH LIMITED

### NOTE :

Dematerialisation of shares and liquidity As on 27<sup>th</sup> August 2010 - Out of the total shareholding of 74,78,100 equity shares 79.89 % of equity shares are in dematerialized form

P Particulars of Past Three AGMs				
AGM	Year	Venue	Date	Time
22 <sup>nd</sup>	2009	PFL Infotech Ltd. Neemargomala Village, Bibinagar Mandal, Nalgonda District, A.P	29 <sup>th</sup> Sep. 2009	10.30 A.M
21 <sup>st</sup>	2008	PFL Infotech Ltd. Neemargomala Village, Bibinagar Mandal, Nalgonda District, A.P	27 <sup>th</sup> Sep. 2008	10.30 A.M
20 <sup>th</sup>	2007	PFL Infotech Ltd. Neemargomala Village, Bibinagar Mandal, Nalgonda District, A.P	28 <sup>th</sup> SEP 2007	10.30 A.M
Q	Postal Ballot	No resolution requiring a postal ballot under Section 192A of the Companies Act, 1956 was placed. Before the last AGM nor is being proposed to be passed at the ensuing AGM.		
R	Nomination Facility	Shareholders, holding shares in physical form and desirous of making/changing a nomination in respect of their share holding in the company as permitted under Section 109A of the Companies Act 1956 are requested to submit to the Compliance Officer in the prescribed form for this purpose, which can be furnished by the company on request.		

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**Y RAGHURAM & CO**  
CHARTERED ACCOUNTANTS

To  
The Board of Directors of  
PFL INFOTECH LIMITED

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to the compliance conditions of Corporate Governance of PFL INFOTECH LIMITED (the company) for the year ended 31-03-2010 as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination conducted in the manner described in the guidance note on certification of corporate governance issued by the Institute of Chartered Accountants of India was limited to procedure and implementation thereof adopted by the company for ensuring compliance with the conditions of corporate governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statement of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of corporate governance as stipulated in clause 49 of the above – mentioned listing agreement.

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.

**Y. RAGHU RAM & CO**  
CHARTERED ACCOUNTANTS

Sd/-  
**(Y RAGHU RAM)**  
Partner

Place: Hyderabad  
Date : 27-08-2010

**AUDITOR'S REPORT**

To the members of  
**PFL INFOTECH LIMITED**

1. We have audited the attached Balance Sheet of **PFL INFOTECH LIMITED** as at 31<sup>st</sup> March 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the **Annexure** a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 1 above and Note No. 1 and 2 of the notes attached to final accounts, we state that:
  - (a) We have obtained all the information and explanations, which in the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of such books.

- (c) The Balance Sheet referred to in this report is in agreement with the books of account.
- (d) In our opinion the Balance Sheet complies with the mandatory accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
- (e) As per the information and explanation provided to us, none of the directors are disqualified from being appointed as directors under section 274 (1) (g) of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet read together with the notes and schedules annexed therewith give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31<sup>st</sup> March 2010.
- (ii) In the case of the Profit and Loss Account, of the Profit for the year ending on 31<sup>st</sup> March 2010.
- (iii) In the case of Cash Flow Statement, of the Cash Flow for the year ending on that date.

**For Y. Raghuram & Co  
Chartered Accountants**

**Sd/-  
Y. RAGHURAM  
Partner**

Place: Hyderabad  
Date: 27.08.2010

**ANNEXURE TO THE AUDIT REPORT  
(PFL INFOTECH LIMITED)**

Referred to in paragraph 3of our report of even date.

- 1) In respect of its fixed assets
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified during the year by the management at regular intervals and no material discrepancies were noticed on such verification.
- c) The Company is not consistent in the charging of the depreciation as no depreciation is charged on Plant and Machinery and Building during the year. In the last financial year, the depreciation was charged for 3 months as per the notes to the accounts. The profit would have been lower by Rs 9,72,655 if the previous year's method is adopted.
- 2) In respect of its inventories we were explained that the company does not have any inventories hence the verification of inventories or question of discrepancies does not arise.
- 3) According to the information and explanations given to us, the Company has paid an amount of Rs 48,00,000 to Mr P Amresh Kumar towards advance for purchase of land and the terms and conditions of such transaction are not prejudicial to the interests of the Company.
- 4) In our opinion and according to the information and explanations given to us, internal control procedures need to be strengthened, considering the size of the company and the nature of its business with regard to purchase of inventory and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls with regard to purchase of inventory, fixed assets and for the sale of goods.
- 5) In our opinion and according to the information and explanations given to us, the Company has not entered into transactions of purchase of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 500,000/- or more in respect of each party.

## PFL INFOTECH LIMITED

- 6) In our opinion and according to the information and explanations given to us, Company has not accepted any deposits from the public with in the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- 7) In our opinion, the Company does not have an internal audit system.
- 8) The maintenance of cost records under section 209(1)(d) of the Act, has not been prescribed by the Central Government of the products of the company.
- 9) In respect of statutory dues
  - a) According to the records of the Company and as per the information and explanations given to us, the Company is not deducting Provident Fund and ESI from the remuneration of employees.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31 March 2010 for a period of more than six months from the date they became payable
- 10) The Company has no accumulated losses as at the end of the year and the Company has not incurred any cash losses during current and the immediately preceding financial year.
- 11) The company has not granted any loans & advances on the basis of security, by way of pledge of shares, debentures & other securities.
- 12) The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- 13) In our opinion the Company is not dealing in or trading in shares, securities, debentures & other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- 14) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.

## PFL INFOTECH LIMITED

- 15) In our opinion, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- 16) In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year.
- 17) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment and vice versa.
- 18) The Company has made preferential allotment of 11,50,000 equity shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money through public issue during the year.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Y. Raghuram & Co**  
Chartered Accountants  
(FRN 009415S)

Sd/-  
**Y Raghuram**  
Partner  
(Memb No: 022678)

Place:Hyderabad  
Date : 27.08.2010

## PFL INFOTECH LIMITED

BALANCE SHEET AS AT 31.03.2010				
1.SOURCE OF FUNDS	Schedule	Details	In Rupees As at 31.03.2010	In Rupees As at 31.03.2009
<b>SHAREHOLDERS FUNDS</b>				
a) Share Capital	1		74,781,000	63,281,000
Share Application Money			14,000	17,264,000
Reserves & Surplus	2		<b>74,848,675</b>	68,794,407
Secured Loans	3			<b>162,781</b>
Differed Tax Liability			-	559,668
<b>TOTAL</b>			<b>149,643,375</b>	<b>149,502,188</b>
<b>II. APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	4	<b>115,513,575</b>	115,513,575	
Less :Depreciation		<b>31,932,347</b>	33,544,419	
Net Block		<b>83,581,228</b>		83,969,156
<b>CURRENT ASSETS</b>				
<b>LOANS &amp; ADVANCES</b>				
A. Sundry Debtors		-	2,097,373	
B. Cash & Bank Balances		<b>54,681</b>	102,312	
C. Loans & Advances		<b>67,465,306</b>	66,960,631	
		67,519,987	69,960,316	
Less: Current Liabilities & Provisions	6	353,340	2,523,084	
Advance for Sale of Land		<b>1,104,200</b>	1,104,200	
Net Current Assets		<b>66,062,447</b>		65,533,032
<b>TOTAL</b>		<b>149,643,675</b>		<b>149,502,188</b>

Significant Accounting Policies and Notes to Accounts. 11

As per our report of even date

For **Y. Raghuram & Co**  
Chartered Accountants

Sd/-  
**(Y. Raghuram)**  
Partner

Sd/-  
**(P. Amresh Kumar)**  
Chairman & Managing Director

Sd/-  
**(M. Jaswanth Reddy)**  
Director

Place : Hyderabad,  
Date : 27/08/2010

## PFL INFOTECH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010				
	Schedule		(In Rupees) As at 31.03.2010	(In Rupees) As at 31.03.2009
<b>INCOME</b>				
Sales	7		2,900,326	7,755,393
Interest Received			1,064,221	-
Job Work Charges	8		-	247,000
Profit on Sale of Land				73,248
		<b>TOTAL</b>	<b>3,964,547.00</b>	<b>8,075,641</b>
<b>EXPENDITURE</b>				
Commercial Birds Purchase			1,994,232	5,155,723
Production Expenses	9		207,557	415,827
Administrative Expenses	10		1,070,562	1,000,109
Depreciation			387,928	1,360,579
		<b>TOTAL</b>	<b>3,660,279</b>	<b>7,932,238</b>
Profit / (Loss) for the year Before Tax			304,268	143,403
Profit on Sale of Land Previously Not Taken				683,159
Provision for Tax				
Current Tax			31,340	14,770
MAT Credit Entitlement				
Carried to Balance Sheet			(31,340)	(14,770)
Deferred Tax			-	(559,668)
Fringe Benefit Tax			-	6,475
Profit / (Loss) for the year after tax			<b>304,268</b>	<b>1,379,755</b>

Notes to Accounts & Significant Accounting Polices 11

As per our report of even date

For AND ON BEHALF OF THE BOARD

For **Y. Raghuram & Co**  
Chartered Accountants

Sd/-  
**(Y. Raghuram)**  
Partner

Sd/-  
**(P. Amresh Kumar)**  
Chairman & Managing Director

Sd/-  
**(M. Jaswanth Reddy)**  
Director

Place : Hyderabad  
Date : 27-08-2010

**PFL INFOTECH LIMITED**

Schedules forming part of Balance Sheet	(In Rupees)	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE -1 SHARE CAPITAL AUTHORISED :</b>		
80,00,000 Equity Shares of Rs.10/- each	80,000,000	65,000,000
(Previous Year 65,00,000 Equity Shares of Rs.10/- each)		
<b>ISSUED, SUBSCRIBED</b>		
7478100 Equity Shares of Rs. 10/- each fully paid	74,781,000	63,281,000
(Previous year-6328100 Equity Shares of Rs.10/- each fully paid)		
<b>PAID UP</b>		
7478100 Equity Shares of Rs. 10/- each fully paid	74,781,000	63,281,000
(Previous year-6328100 Equity Shares of Rs.10/- each fully paid)		
<b>Total</b>	<b>74,781,000</b>	<b>63,281,000</b>
<b>SCHEDULE - 2 RESERVES &amp; SURPLUS</b>		
General Reserve	5,586,099	4,206,342
Revaluation Reserve	2,752,308	2,752,308
Capital Reserve	17,340,000	17,340,000
Share Premium Reserve	48,866,000	43,116,000
<b>Total</b>	<b>74,544,407</b>	<b>67,414,650</b>
Profit & Loss for the year	<b>304,268</b>	<b>1,379,757</b>
	<b>74,848,675</b>	<b>68,794,407</b>
<b>SCHEDULE - 3 SECURED LOANS</b>		
<b>ICICI BANK Car Loan</b>		<b>162,781</b>
		<b>162,781</b>

**PFL INFOTECH LIMITED**

**SCHEDULE - 4 Fixed Assets**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.09	Additions	Deletions	Total	Upto 31.03.2009	For the year 31-03-2010	UPTO 31-03-2010	As at 31-03-2010	As at 31-03-2009
	1	2	3	4=(1+2+3)	5	6	7 = (5+6)	8 = (4-7)	8=(1-5)
Land	764,706	-	-	764,706	-	-	-	764,706	764,706
Building Sheds & Borewells	26,879,020	-	-	26,879,020	6,586,599	-	6,586,599	20,292,421	20,292,421
Machinery & Poultry Equipments	71,174,504	-	-	71,174,504	18,070,406	-	18,070,406	53,104,098	53,104,098
Vehicles	3,321,704	-	-	3,321,704	2,215,722	105,187	2,320,909	1,000,795	1,105,982
Misc. Fixed Assets	13,356,891	-	-	13,356,891	4,669,647	281,830	4,951,477	8,405,414	8,687,244
Computers	16,750	-	-	16,750	2,045	911	2,956	13,794	14,705
<b>Total</b>	<b>115,513,575</b>	<b>-</b>	<b>-</b>	<b>115,513,575</b>	<b>31,544,419</b>	<b>387,928</b>	<b>31,932,347</b>	<b>83,581,228</b>	<b>83,969,156</b>
Previous Year	114,893,768	683,159	63,352	115,513,575	30,183,840	1,360,579	31,544,419	83,969,156	84,709,928

\* Depreciation for the year taken 3 months only

## PFL INFOTECH LIMITED

	31-03-2010	31-03-2009
<b>SCHEDULE -5</b>		
<b>CURRENT ASSETS.</b>		
<b>LOANS AND ADVANCES</b>		
<b>A. SUNDRY DEBTORS</b>		
(Unsecured and considered good)		
More than six months	-	-
Below six months	-	2,097,373
	-	2,097,373
<b>B. CASH AND BANK BALANCES</b>		
Cash on Hand	3,155	28,804
Balances with Scheduled Bank	51,526	73,508
<b>Total</b>	<b>54,681</b>	<b>102,312</b>
<b>C. LOANS &amp; ADVANCES</b>		
(Unsecured and considered good unless otherwise stated)		
TDS	82,786	149,861
TDS 2009-10	91,693	-
MAT Credit Entitlement	31,340	14,770
Advances	39,759,487	66,796,000
Advance for Property	27,500,000	-
	67,465,306	66,960,631
<b>Total</b>	<b>67,519,987</b>	<b>69,160,316</b>
<b>SCHEDULE - 6</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Sundry Creditors	-	2,360,764
Provision for Expenses	3,22,000	141,075
Provision for Fringe Benefit Tax	-	6,475
Provision for tax	31,340	14,770
<b>Total</b>	<b>353,340</b>	<b>2,523,084</b>

## PFL INFOTECH LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT		
	31-03-2010	31-03-2009
<b>Schedule - 7</b>		
<b>INCOME</b>		
Sale of Commercial Birds	2,900,326	7,755,393
<b>Total</b>	<b>2,900,326</b>	<b>7,755,393</b>
<b>SCHEDULE - 8</b>		
<b>OTHER INCOME</b>		
Job work charges	-	247,000
<b>Total</b>		<b>247,000</b>
<b>SCHEDULE -9</b>		
<b>PRODUCTION EXPENSES</b>		
Hatchery Salaries	58,000	132,000
Power & Fuel	14,979	14,287
Poultry Maintenance	33,827	21,810
Hatchery Maintenance	19,321	36,320
Repairs & Maintenance	23,740	18,980
Carriage Inward	57,690	192,430
<b>Total</b>	<b>207,557</b>	<b>415,827</b>
<b>SCHEDULE -10</b>		
<b>ADMINISTRATION &amp; OTHER EXPENSES</b>		
Salaries	144,000	228,000
Directors Remuneration	300,000	300,000
Staff Welfare	14,638	3,717
Conveyance	18,350	-
Telephone Charges	23,745	5,829
Postage & Telegram	750	1,030
Traveling Expenses	21,290	4,123
Printing & Stationery	6,760	10,499
Bank Charges	2,299	4,845
Office Maintenance	24,491	17,254
Vehicle Maintenance	11,210	2,870
Mis. Exp	6,261	3,604
Auditors Remuneration	30,000	30,000
Out of Pocket expenses	-	1,000
Legal Expenses	8,500	10,000
Share Registry Charges	84,390	79,817
Interest on Car Loans	22,966	26,757
Office Rent	90,000	90,000
Web Site Maintenance	-	5,000
Business Promotion	11,824	-
Consultancy Charges	15,000	-
Stock Exchange Exp	15,000	56,264
Carriage Outward	121,340	119,500
ROC Fees	97,748	-
<b>Total</b>	<b>1,070,562</b>	<b>1,000,109</b>

**SCHEDULE 11: NOTES FORMING PART OF THE ACCOUNTS**

**A) SIGNIFICANT ACCOUNTING POLICIES**

**1. ACCOUNTING CONVENTION**

The financial statements are prepared under historical cost convention and on accrual basis

**2. REVENUE RECOGNITION**

The Company follows the mercantile system of accounting and recognizes income, and expenditure on accrual basis

**3. FIXED ASSETS**

Fixed Assets are stated at cost of acquisition including freight, duties and other incidental expenses.

**4. DEPRECIATION**

Depreciation has been provided proportionately on fixed assets at the rates specified in Schedule XIV of the Companies Act, 1956.

5. Accounting Policies not specifically referred to are consistent with the generally Accepted accounting practices and accounting standards under section 211 of the Companies Act, 1956.

**6. RETIREMENT BENEFITS**

Retirement benefits to the employees have not been provided as no employee is eligible for the same. No Provision has been made in respect of Gratuity Liability. Provident Fund and ESI as no employee is eligible for the same, leave encashment shall be accounted on cash basis.

**B) NOTES ON ACCOUNTS**

1. Depreciation on the Fixed Assets is charged under the straight line method and as per the rates in force in Schedule XIV to the Companies Act, 1959 for the actual period of usage during the year. Since the machinery and buildings were not used during the year, no depreciation is charged on the same.

2. During the year 11,50,000 Shares Warrants have been converted into Equity Shares of Rs 10/- each at a premium of Rs 5/- per share and are allotted to the following allottees:

P Amresh Kumar: 7,00,000 Shares  
 Nickunj Shah : 4,50,000 Shares.

3. During the year Company has received back the long outstanding advance in the name of Future Tech Industries amounting to Rs 6,67,96,000. The amount received has been utilized as follows:

- a. Towards Advance for Purchase of Property: Rs 2,75,00,000
- b. As unsecured loans to various parties: Rs 3,90,00,000  
 For the amounts given as unsecured loans, the company does not have any security other than the debtor's personal security.

4. There were no employees in receipt of remuneration in excess of the limits specified in Sec 217 (2A) of the Companies Act, 1956.

5. Managerial remuneration under section 198 of the Companies Act 1956.

	<u>31.03.2010</u>	<u>31.03.2009</u>
Managing Directors	Rs. 3,00,000	Rs. 3,00,000
Salary Other Directors' Salary	Rs.Nil	Rs.Nil



## PFL INFOTECH LIMITED

6. Remuneration to Auditors:

	<u>2009-2010</u>	<u>2008-2009</u>
Remuneration to Auditors	Rs. 20,000	Rs. 20,000
Audit Fee Tax Audit	Rs. 10,000	Rs. 10,000
For Service Tax	Rs. 3,090	Rs. 3,090

7 Since there are no employees eligible for any retirement benefits as per the terms of the contract, no gratuity or leave encashment provisions are made as per AS 15.

8. As the Company is dealing with only one product and it is operating only in India, segment reporting under Accounting Standard – 17 of ICAI is not applicable.

9. The transactions entered into by the company with related parties during the year are as follows.

Name	Relationship	Nature of Transaction	Total Transaction Value during
P.Amresh Kumar	Manging Director	Remuneration	Rs.3,00,000/-
P.Amresh Kumar	Manging Director	Advance for Sale of Land	Rs.48,00,000/-

10. As per information and explanations given to us, during the financial year no foreign exchange transactions are there, which need to be reported.

11. As per the AS 22, since there is no reasonable certainty that the Company will get profits so as to absorb the carried forward losses and depreciation, the deferred tax asset has not been recognized in the financial statements.

12. Debit and Credit balances in the parties' accounts as at 31.03.2010 are subject to confirmation.

13. The Schedules referred to in the balance sheet and profit and loss account form an integral part of accounts.

## PFL INFOTECH LIMITED

14. The figures are rounded off to the nearest rupee and previous year figures have been regrouped/rearranged wherever necessary.

15. Previous year figures have been regrouped wherever necessary and paise have been rounded off to the nearest rupee.

Additional information pursuant to the provisions of paragraph 3, 4 C to 40 of Part II and Part VI of Schedule VI of the Companies Act, 1956, is annexed.

Signatures to Schedules 1 to 11

Per our report of even date

For and on behalf of the Board

for **Y.Raghuram & Co**  
Chartered Accountants

Sd/-  
**(Y. Raghuram)**  
Partner

Sd/-  
**(P. Amresh Kumar)**  
Chairman & Managing Director

Sd/-  
**(M. Jaswanth Reddy)**  
Director

Place : Hyderabad

Date : 27/08/2010

## PFL INFOTECH LIMITED

### A. CASH FLOW FROM OPERATIONAL ACTIVITIES

	31.03.2010		31.03.2009	
Net Profit before Tax	304,268		143,403	
Depreciation	387,928		1,360,579	
Profit on Sale of Land	-		(73,248)	
Preliminary Exp.written off	-		-	
Operating Profit before working capital charges		692,196		1,430,734
<b>ADJUSTMENT IN CAPITAL CHANGES</b>				
Increase in Current Assets	(1,609,268)		483,096	
Increase in Current Liabilities	2,179,839		952,500	
<b>INCREASE / DECREASE IN NET CURRENT ASSETS</b>		570,571		1,435,596
CASH GENERATED FROM OPERATIONS		121,625		(4,862)
Less Taxes Paid		21,245		14,227
Net Cash Used in Operating Activities (A)		100,380		(19,089)

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

(P. AMRESH KUMAR)  
Chairman & Managing Director

Place : Hyderabad  
27.08.2010

Date :

Sd/-  
(M. JASWANTH REDDY)  
Director

## PFL INFOTECH LIMITED

### B. CASH FLOW FROM INVESTING ACTIVITIES

	31.03.2010		31.03.2009	
Purchase of Fixed Assets	-		-	
Sale of Land	-		136,600	
Decrease Capital				
Work in Progress	-		-	
Net Cash Generated by Investing Activites (B)		-		136,600
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		-		
Increase in Share Capital	-			
Increase in Share Application				
Decrease in Secured Loans	(162,781)		(57,118)	
Decrease in Unsecured Loans	-		-	
Net Cash Used in Financing Activites (C)		(162,781)		(57,118)
Net Increase / Decrease in (A)+(B)+(C)		62,401		(60,393)
Cash/Bank at the begining of the year		102,312		41,919
Cash/Bank at the end of the year		39,911		102,312

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**(P. AMRESH KUMAR)**

CHAIRMAN & MANAGING DIRECTOR

Place : Hyderabad  
: 27.08.2010

Date

Sd/-  
**(M. JASWANTH REDDY)**  
DIRECTOR

## PFL INFOTECH LIMITED

### AUDITOR'S CERTIFICATE

To,

The Shareholders of  
**PFL Infotech Limited**  
Neemargomala Village,  
Bibinagar Mandal,  
Nalgonda Dist.

We have examined the above cash flow statement of PFL Infotech Limited for the period ended 31-03-2010. The Statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by over report of even date to the members of the Company.

For **Y Raghuram & Co.**  
Chartered Accountants

Sd/-  
**Y.Raghuram**  
Partner

PLACE: HYDERABAD

DATE: 27.08.2010

## PFL INFOTECH LIMITED

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION NO : 7005  
Balance Sheet Date : **31.03.2010** State Code : 01 1

#### 2. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS.)

Public Issue : Nil Rights Issue : Nil  
Bonus Issue : Nil Private Placement : Nil

#### 3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities : 149,643,675 Total Assets : 149,643,675  
Secured Loans : - Unsecured Loans. :-

#### APPLICATION OF FUNDS

Net Fixed Assets : **83,581,228** Investments : Nil  
Net Current Assets : **66,062,447** Misc. Exp. : -

#### 4 PERFORMANCE OF Company :

Turnover : 3,964,547 Total Exp : 3,660,279  
Profit/Loss before tax : 304,268 Profit & Loss : 304,268  
after tax

Earning per share in Rs. : 0.04 Dividend Rate : Nil

#### 5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY

##### (AS PER MONETARY TERMS)

Item Code No. ITC : 1059100  
Product Description : One day old chicks / Software

#### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
**(P. AMRESH KUMAR)**  
Chairman & Managing Director

Sd/-  
**(M. JASWANTH REDDY)**  
Director

Place : Hyderabad Date :  
27.08.2010

**PFL INFOTECH LIMITED**

**PFL INFOTECH LIMITED**  
NEEMARGOMALA VILLAGE, BIBINAGAR MANDAL, NALGONDA DISTRICT,

**ATTENDANCE SLIP**

(Please fill in the Attendance slip Before coming to the Meeting)

(To be handed over the Entrance of the Meeting Hall)

Folio Number	Name of the attending Member (In Block Letters)	No. of Shares held

Name of the Proxy ( In Block Letters)  
(If the Proxy attends instead of the Member)

I here by record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company on Tuesday the 24<sup>th</sup> September, 2010 at Neemargomala Village, Bibinagar Mandal, Nalgonda District, at 10.30 A.M and at any adjournment thereof.

Signature of Member / Proxy.  
Note : You are requested to bring your copy of Annual Report to the Meeting.

**PFL INFOTECH LIMITED**

**PFL INFOTECH LIMITED**  
NEEMARGOMALA VILLAGE, BIBINAGAR MANDAL, NALGONDA DISTRICT,

**PROXY**

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a Member(s) of **PFL  
INFOTECH LIMITED** , here by appoint Mr./Mrs. \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her,  
attend and vote for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General  
Meeting of the Company. to be held on 24<sup>th</sup> September, 2010 at Neemargomala  
Village. Bibinagar Mandal, Nalgonda District, at 10.30 A.M and at any  
adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

LEDGER FOLIO NO

SIGNATURE

AFFIX Rs. 1.00  
REVENUE STAMP

