



GRACIOUS SOFTWARE LIMITED

Eighth Annual Report
For The Financial Year 2014-2015

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COMPANY INFORMATION

BOARD OF DIRECTORS:

| | |
|--------------------|---|
| Mr. MAHENDRA SINGH | Non Independent Director (Non-executive Director) |
| Ms. ASHA RANI | Independent Director (Non-executive Director) |
| Mr. MAHESH CHAND | Independent Director (Non-executive Director) |

STATUTORY AUDITORS:

M/s. HARESH MISHRA & ASSOCIATES
Chartered Accountants
S-524, Neelkanth House,
304, 3rd Floor School Block
Shakarpur, Delhi-110092
FRN NO: 024716N

COMPLIANCE OFFICER:

Mr. MAHENDRA SINGH, Director
G-6, Ground Floor, House No. 4346,
Gali No. 4C, Ansari Road,
Daryaganj, New Delhi – 110002
Tel: 011-32931123;
Website: www.gracsoft.com;
E-Mail: gracious_software@yahoo.com

CORPORATE IDENTIFICATION NUMBER (CIN)

L72300DL2007PLC168989

REGISTERED OFFICE:

G-6, Ground Floor, House No. 4346
Gali No. 4C, Ansari Road,
Darya Ganj, New Delhi – 110002
Tel: 011-32931123;
Website: www.gracsoft.com
E-Mail: gracious_software@yahoo.com

REGISTRAR AND SHARE TRANSFER AGENT:

MAS SERVICES LIMITED
T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Tel: 011-26387281-82-83,
Fax: 011-26387384,
Email: sm@massserv.com
Website: www.massserv.com

ANNUAL GENERAL MEETING

DAY, DATE & TIME : Tuesday, 15th September, 2015 at 9:15 A.M
VENUE : G-6, Ground Floor, House No. 4346, Gali No. 4C,
Ansari Road, Daryaganj, New Delhi – 110002

GRACIOUS SOFTWARE LIMITED

Regd. Office: G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road,
Darya Ganj, New Delhi – 110002; CIN: L72300DL2007PLC168989, Email id: gracious_software@yahoo.com ,
Website: www.gracsoft.com; Contact No: 011-32931123

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Eighth Annual General Meeting of the Shareholders of GRACIOUS SOFTWARE LIMITED will be held on Tuesday, 15th September, 2015 at 9:15 A.M at the Registered office of the company at G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Daryaganj, New Delhi – 110002 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance sheet of the Company for the financial year ended on 31st March 2015, the statement of Profit & Loss Account, Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditor's thereon.
2. To appoint a director in place of Mr. Mahendra Singh (DIN: 06437665), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. HARESH MISHRA & ASSOCIATES, Chartered Accountants (FRN 024716N) as the statutory auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To appoint Ms. Asha Rani (DIN: 06842453) as an Independent Director and in this regard 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 Section 160, 149, 152 and all other applicable provisions and Schedule IV to the Companies Act, 2013, the Companies (Appointment the Companies (Appointment and Qualifications of Directors) Rules, 2014, as may be amended, from time to time and the Listing Agreement, Ms. Asha Rani (DIN: 06842453), who was appointed as an Additional Director with effect from 28th March, 2015, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from 28th March, 2015."

Date: 18th August, 2015
Place: New Delhi

By Order of the Board
For Gracious Software Limited
Sd/-
Mahendra Singh
Director
DIN: 06437665
B-21 - Pardhan, Enclave, Parshuram,
Enclave, Vill-Burari, DELHI - 110084.

NOTES:

1. An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ONLY ON POLL) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE DULY COMPLETED AND SIGNED PROXY FORM SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. The Register of Directors and Key managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
4. Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars for printing on the dividend warrants, if any, under their signatures to Mas Services Ltd. T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020. Members holding shares in electronic form may update such details with their respective Depository Participants.
5. Pursuant to Section 91 of the Companies Act, 2013, The Share Transfer Books and Members Register of the Company will remain closed from 09th September, 2015 to 11th September, 2015 (both days inclusive).
6. Members seeking any information regarding accounts should write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.
7. All documents meant for inspection and referred in the accompanying Annual Report are open for inspection at the Registered Office of the Company during office hours between 11.00 am to 1.00 pm on all working days till the date of Annual General Meeting.
8. Members are required to bring their admission slip along-with copy of the Annual Report at the Annual General Meeting.
9. Details under Clause 42 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

Date: 18th August, 2015
Place: New Delhi

By Order of the Board
For Gracious Software Limited
Sd/-
Mahendra Singh
Director
DIN: 06437665
B-21 - Pardhan, Enclave, Parshuram,
Enclave, Vill-Burari, DELHI - 110084.

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

ITEM NO. 4

Ms. Asha Rani was appointed as an Additional Director with effect from 28.03.2015, Pursuant to Section 149 of the Companies Act, 2013 (new act) read with the Rules made thereunder, the Independent Directors shall hold office for a period of upto 5 consecutive years and shall not be liable to retire by rotation. She may be appointed for a maximum of two consecutive terms of upto 5 years each.

She is Independent director of the company and has been holding the office of Directorship. The Company has received notices in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of her appointment as Independent Director of the Company. She is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given her consent to act as Director. The Company has also received declarations from her that she meet with the criteria of independence as prescribed under Section 149(6) of the Act and the Listing agreement.

The Board considered the independence of her in terms of Section 149 and Schedule IV to the Companies Act, 2013 and the Listing Agreement and was of the view that she fulfills the criteria of independence as mentioned in the above provisions and can be appointed in the above provisions and can be appointed as Independent Directors

Ms. Asha Rani is an eminent Professional and brings rich and varied experience to the Board. The Board of Directors recommend the resolution set out in the Notice for approval of the Members. Ms. Asha Rani is interested in their respective resolution to the extent of his appointment.

None of the remaining Directors and their relatives is concerned or interested in the proposed resolutions.

Date: 18th August, 2015
Place: New Delhi

By Order of the Board
For Gracious Software Limited
Sd/-
Mahendra Singh
Director
DIN: 06437665
B-21 - Pardhan, Enclave, Parshuram,
Enclave, Vill-Burari, DELHI - 110084.

PROFILE OF DIRECTORS OF THE COMPANY

DETAILS OF DIRECTORS:

1. Mr. Mahendra Singh, aged 27 years, is a Non Executive Director of our Company. He is Bachelor in arts. He has 3 years of experience in administration and commercial operations of the industry. He predominantly responsible of for implementation decisions with the development teams including scheduling of tasks guaranteeing quality of deliveries. He is the director in the following companies:
2. Mr. Mahesh Chand, aged 43 years, is an Independent Director of our Company. He has more than 20 years of experience in the field of accounting and finance. As an Independent Director of our Company with corporate acumen he brings value addition to our Company.
3. Mrs. ASHA RANI, aged 37 years is an Independent Director of our Company. She holds Post Graduate degree and possesses 12 years of experience in business development. She has been on the Board of our Company since March 2015.

DIRECTOR'S REPORT

Your Directors have great pleasure in presenting the 8th Annual Report together with the Audited Accounts of the Company for the year ended at 31st March, 2015.

FINANCIAL RESULTS

The summarized performance of the Company for the years 2014-15 and 2013-14 is given below:
(Amount in Rupees)

| Particulars | For Financial Year Ended | |
|---------------------------|--------------------------|------------------|
| | 31st March, 2015 | 31st March, 2014 |
| Total Income | 15,583,331.00 | 12,892,618.48 |
| Total Expenditure | 14,954,592.05 | 12,691,127.22 |
| Profit before Tax | 6,28,738.95 | 2,01,491.26 |
| Less: Tax Expense | (2,10,609.10) | (65,373.90) |
| Profit / (Loss) After Tax | 4,18,129.85 | 1,36,117.36 |

FINANCIAL PERFORMANCE

During the year under review, the Company's income is Rs.155.83 Lacs as against income of Rs. 128.92 lacs in 2013-14. The net profit after tax during the year has been Rs. 4.18 lacs as against the net profit of Rs. 1.36 lacs in the previous year.

RESERVE AND SURPLUS

The Reserves and Surplus is Rs. 646.85 Lacs as on the end of the Current year and the Profit of the Current year Rs. 4.18 Lacs has been transferred to Reserve and Surplus.

DIVIDEND

To plough back the profits in to the business activities, no dividend is recommended for the financial year 2014-15.

SHARE CAPITAL

During the Year 2014-15, No change in the Authorized and paid-up share Capital of the Company. The Authorized & paid-up share capital of the Company as on 31st March, 2015 is Rs. 125,000,000/- (Rupees Twelve crore Fifty Lacs only) divided into 1,25,00,000 (One Crore twenty Five Lakh) Equity shares of Rs.10/- (Ten)each.

CHANGE IN THE NATURE OF BUSINESS

During the year, the Company has not changed its nature of business.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 42 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is presented in the separate section and forms an integral part of the Directors Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments which can affect the financial position of the

Company occurred between the end of the financial year of the Company and date of this report.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

RISK MANAGEMENT POLICY

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides identifying internal and external risks and implementing risk mitigation steps.

NAME OF THE COMPANIES WHICH HAVE BEEN BECOME OR CEASED TO BE ITS SUBSIDIARIES AND ASSOCIATE COMPANIES DURING THE YEAR

Since the Company has no subsidiaries as on 31st March, 2015, provision of section 129 of the Companies Act, 2013 is not applicable.

DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014. No amount of principal or interest was outstanding as on the date of Balance Sheet.

STATE OF COMPANY AFFAIRS:

There are no order against the Company and the smooth running of business enhancing the profitability of the company.

FAMILIARIZATION PROGRAMME

The Company at its various meetings held during the Financial year 2014 -15 had familiarize the Independent Directors with regard to the roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the Business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarize them with the Company's policies, procedures and practices. Periodic presentations are made to the Board and Board Committee meeting on Business and performance updates of the Company, Business strategy and risks involved. Quarterly updates on relevant statutory changes and judicial pronouncements and encompassing important amendments are briefed to the Directors.

STATUTORY AUDITORS

In Terms of the provisions of Section 139 of the Companies Act, 2013, M/s. HARESH MISHRA & ASSOCIATES, Chartered Accountants (FRN 024716N), Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting till Next Annual General Meeting and are eligible for re-appointment. The said re-appointment is subject to ratification by the members at every Annual General Meeting.

The Board has recommended ratification of appointment of M/s. HARESH MISHRA & ASSOCIATES, Chartered Accountants (FRN 024716N), by the shareholders in the forthcoming Annual General Meeting as required under Section 139 of the Companies Act, 2013, to the effect that their re-appointment if made, will be within the limits as prescribed under the provisions thereof. Your Directors recommend their re-appointment as the Statutory Auditors of the Company.

AUDITORS' REPORT

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in form no. MGT – 9 has been annexed to the Report as Annexure -1.

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

The particulars as required under the provisions of Section 314(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 in respect of Conservation of Energy and Technology Absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.

There was no foreign exchange earning & outgo during the financial year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the Company is not required to comply with the provisions related to Corporate Social Responsibility on the basis of its financial statement.

DIRECTORS & COMMITTEES:

a) Changes in Directors and Key Managerial Personnel

During the year under review, Mr. Arun Kumar Gupta resigned from the post of director and Ms. Asha Rani appointed as Additional Director w.e.f 28/03/2015.

Ms. Neelam Beniwal, Company Secretary & Compliance Officer of the Company has been resigned w.e.f. 02.06.2014.

Mr. Ajay Bansal has been resigned from the Company w.e.f.17/09/2014.

b) Declaration by an Independent Director(s) and re- appointment, if any

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, and Listing Agreement.

c) Formal Annual Evaluation of Board

Pursuant to the provisions of companies Act, 2013, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

a. BOARD MEETINGS

During the year Ten(10) Board Meetings were convened and held on 30.04.2014, 29.05.2014, 02.06.2014, 21.08.2014, 30.10.2014, 13.11.2014, 09.02.2015, 12.03.2015, 25.03.2015 & 28.03.2015.

COMPOSITION AND MEETINGS OF AUDIT COMMITTEE

The Composition and terms of reference of the Committee satisfy the requirements Section 177 of the Companies Act, 2013. Audit Committee met 4 times during the financial year 2014-15 on 29.05.2014, 21.08.2014, 13.11.2014 & 09.02.2015 and following is the composition:

| Name of Member | Designation | Category |
|-------------------|-------------|--|
| ARUN KUMAR GUPTA* | Chairman | Independent Director |
| MAHENDRA SINGH | Member | Non-Independent Non Executive Director |
| MAHESH CHAND | Member | Independent Director |
| ASHA RANI* | Chairman | Independent Director |

*Resignation of Mr. Arun Kumar Gupta from the position of Directorship & Appointment of Ms. Asha Rani as an Independent Director w.e.f. 28.03.2015.

COMPOSITION AND MEETINGS OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Composition and terms of reference of the Committee satisfy the requirements Section 178 of the Companies Act, 2013. The Committee met 4 times during the financial year 2014-15 on 29.05.2014, 21.08.2014, 13.11.2014 & 09.02.2015 and following is the composition:

| Name of Member | Designation | Category |
|-------------------|-------------|--|
| MAHENDRA SINGH | Chairman | Non-Independent Non Executive Director |
| MAHESH CHAND | Member | Independent Director |
| ARUN KUMAR GUPTA* | Member | Independent Director |
| ASHA RANI* | Member | Independent Director |

*Resignation of Mr. Arun Kumar Gupta from the position of Directorship & Appointment of Ms. Asha Rani as an Independent Director w.e.f. 28.03.2015.

NOMINATION & REMUNERATION COMMITTEE

The Company has duly constituted Nomination and Remuneration Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013.

The committee met 01 time on 30/10/2014 and details of the Composition of the Nomination and Remuneration Committee are given below:

| Name of Member | Designation | Category |
|-------------------|-------------|--|
| ARUN KUMAR GUPTA* | Chairman | Independent Director |
| MAHENDRA SINGH | Member | Non-Independent Non Executive Director |
| MAHESH CHAND | Member | Independent Director |
| ASHA RANI* | Chairman | Independent Director |

*Resignation of Mr. Arun Kumar Gupta from the position of Directorship & Appointment of Ms. Asha Rani as an Independent Director w.e.f. 28.03.2015.

SEXUAL HARASSMENT:

The Company has zero tolerance for Sexual Harassment at workplace and has adopted a Policy on prevention of Sexual Harassment in line with the provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. There was no complaint on sexual harassment during the year under review.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

During the year, as per Section 177(9) read with Rule 7(1) of The Companies (Meeting of Board and its Powers) Rules, 2014, Company is required to establish a Vigil Mechanism for its Directors and employees. In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year, Company has not provided Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information under notes to Accounts.

MANAGERIAL REMUNERATION POLICY

Provisions relating to Managerial Remuneration as per Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 The Board has on the recommendation of the Nomination & Remuneration Committee framed a Policy for Selection and appointment of Directors, Senior management and their Remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

SECRETARIAL AUDIT REPORT AND EXPLANATION TO THE QUALIFICATIONS REPORTED IN THE REPORT

Provisions relating to Secretarial Audit as per Section 204 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Neelam Bansal, Proprietor of M/s. Neelam Bansal & Associates, Company Secretaries to undertake the Secretarial audit of the Company. The Secretarial Auditor Report provided By the Secretarial Auditor in Form No. MR-3 has been enclosed as Annexure-2.

With reference to the qualifications, we wish to explain that the Company is searching the best person for the post of Company Secretary and Chief Financial Officer.

CORPORATE GOVERNANCE CERTIFICATE

As per Clause 42 of SME Listing Agreement for Listed Companies on BSE. A Certificate from Statutory Auditors of the Company on the compliance with Corporate Governance requirements by your Company is attached to the Report on Corporate Governance.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders have been passed by the regulators or courts or tribunals, impacting the going concern status and company's operations in future.

PARTICULARS OF EMPLOYEES AND OTHER DISCLOSURE

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given herein below:

The information required pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided on request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars mentioned in rule 5(2) of the said rule which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company upto the date of ensuing Annual General Meeting. If any Member is interest in inspecting the same, such Member may write to the Compliance officer in advance.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for FY 2014-15 (Rs.) | % increase in Remuneration in FY 2014-15** | Ratio of Remuneration of Director to Median Remuneration of employees | Ratio of Remuneration of Director to Median Remuneration of Employees |
|---------|--------------------------------------|---|--|---|---|
| 1. | Mr. Ajay Bansal, Whole Time Director | 2,40,000 | N.A. | N.A. | N.A. |
| 2. | Ms. Neelam Beniwal, CS | 40,000 | NA | N.A. | N.A. |

During the year under review, Ms. Neelam Beniwal resigned from the post of Company Secretary w.e.f 2nd June, 2014.

Mr. Ajay Bansal has been resigned from the Company w.e.f.17/09/2014.

The number of permanent employees as on 31st March 2015 was 3.

No employee's remuneration for the year 2014-15 exceeded the remuneration of any of the Directors.

Company's performance has been provided in the Directors' Report which forms part of the Board Report.

The key parameter for the variable component of key managerial personnel(s) is linked with Company performance and Individual performance.

The remuneration of Directors, KMPs and other employees is in accordance with the Remuneration Policy of the Company.

STATEMENT CONTAINING THE PARTICULARS OF EMPLOYEES IN ACCORDANCE WITH SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015 -NOT APPLICABLE

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause © of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that –

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT AND APPRECIATION

The Directors take this opportunity to thank Company's customers, shareholders, suppliers, bankers, Central and State Government for their consistent support to the Company. The Board also wishes to place on record their appreciation for the hard work, dedication and commitment of the employees at all levels. The enthusiasm and unstinting efforts of the employees have enabled the Company to grow in the competitive environment. The Board looks forward to their continued support and understanding in the years to come.

Date: 18th August, 2015

Place: New Delhi

By Order of the Board
For Gracious Software Limited

Sd-
MAHENDRA SINGH
Director
DIN: 06437665
B-21 - Pardhan, Enclave, Parshuram,
Enclave, Vill-Burari, DELHI - 110084.

Sd-
Mahesh Chand
Director
DIN: 06463812
Village- Tilapta Karanvas,
Grater Noida, Gautam
Budh Nagar, U.P. - 201310

Annexure-1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | L72300DL2007PLC168989 |
| 2. | Registration Date | 04/10/2007 |
| 3. | Name of the Company | GRACIOUS SOFTWARE LIMITED |
| 4. | Category/Sub-category of the Company | Company limited by shares/ Indian Non-Government Company |
| 5. | Address of the Registered office & contact details | G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Darya Ganj, New Delhi - 110002 Tel: 011-32931123; Website: www.gracsoft.com E-Mail: gracious_software@yahoo.com |
| 6. | Whether listed company | Listed |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | MAS SERVICES LIMITED T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Tel: 011-26387281-82-83, Fax: 011-26387384, Email: info@massserv.com Website: www.massserv.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | IT SERVICES | 72291 | 100 % |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|---------------------------------|---------|--------------------------------|------------------|-------------------------------------|
| 1 | N.A. | N.A. | N.A. | N.A. | Section 2(46) and Section 2(87)(ii) |
| 2 | N.A. | N.A. | N.A. | N.A. | Section 2(87)(ii) |
| 3 | N.A. | N.A. | N.A. | N.A. | Section 2(6) |

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 31-March-2014] | | | | No. of Shares held at the end of the year[As on 31-March-2015] | | | | % Change during the year |
|--------------------------|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 25000 | - | 25000 | 0.20 | 25000 | - | 25000 | 0.20 | Nil |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 3135000 | - | 3135000 | 25.08 | 3135000 | - | 3135000 | 25.08 | Nil |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(1) | 3160000 | - | 3160000 | 25.28 | 3160000 | - | 3160000 | 25.28 | 0.16 |
| (2) Foreign | | | | | | | | | |
| a) NRIs – Individuals | - | - | - | - | - | - | - | - | - |
| b) Others – Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--|---------|---|---------|-------|---------|---|---------|-------|---|
| Sub-total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter (A) = (A)(1) + (A)(2) | 3160000 | 0 | 3160000 | 25.28 | 3160000 | 0 | 3160000 | 25.28 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |

| | | | | | | | | | |
|--|----------|---|----------|--------|----------|---|----------|--------|---------|
| i) Indian | 734000 | - | 734000 | 5.87 | 3665320 | 0 | 3665320 | 29.32 | 23.45 |
| ii) Overseas | | | | | - | - | - | - | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 820200 | - | 820200 | 6.56 | 532630 | 0 | 532630 | 4.26 | (2.3) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 7785800 | - | 7785800 | 62.29 | 4790850 | 0 | 4790850 | 38.33 | (23.96) |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | - | - | - | - | - | - | - | - | - |
| Hindu Undivided Family | - | - | - | - | 351200 | 0 | 351200 | 2.81 | 2.81 |
| Sub-total (B)(2):- | 9340000 | 0 | 9340000 | 74.72 | 9340000 | 0 | 9340000 | 74.72 | Nil |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 9340000 | 0 | 9340000 | 74.72 | 9340000 | 0 | 9340000 | 74.72 | Nil |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 12500000 | 0 | 12500000 | 100.00 | 12500000 | 0 | 12500000 | 100.00 | Nil |

Shareholding of Promoters-

| SN | Shareholder's Name | Shareholding at the beginning of the year 31.03.2014 | | | Share holding at the end of the year 31.03.2015 | | | % change in share holding during the year |
|----|--|---|----------------------------------|--|--|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Ajay Bansal | 19,800 | 0.16 | - | 19,800 | 0.16 | - | 0.16 |
| 2 | Mahendra Singh Bisht | 5,200 | 0.04 | - | 5,200 | 0.04 | - | Nil |
| 3 | Juris Financial Services Private Limited | 31,35,000 | 25.08 | - | 31,35,000 | 25.08 | - | Nil |
| | Total | 31,60,000 | 25.28 | - | 31,60,000 | 25.28 | - | 0.16 |

Change in Promoters' Shareholding (please specify, if there is no change)

| SN | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | | | | |
| 1. | Ajay Bansal | 19,800 | 0.16 | 19,800 | 0.16 |
| 2. | Mahendra Singh Bisht | 5,200 | 0.04 | 5,200 | 0.04 |
| 3. | Juris Financial Services Private Limited | 31,35,000 | 25.08 | 31,35,000 | 25.08 |
| | TOTAL | 31,60,000 | 25.28 | 31,60,000 | 25.28 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc): | - | - | - | - |
| | At the end of the year | | | | |
| 1. | Ajay Bansal | 19,800 | 0.16 | 19,800 | 0.16 |
| 2. | Mahendra Singh Bisht | 5,200 | 0.04 | 5,200 | 0.04 |
| 3. | Juris Financial Services Private Limited | 31,35,000 | 25.08 | 31,35,000 | 25.08 |
| | TOTAL | 31,60,000 | 25.28 | 31,60,000 | 25.28 |

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| SN | For Each of the Top 10 | Shareholding at the beginning of the year | Cumulative Shareholding during |
|----|------------------------|---|--------------------------------|
|----|------------------------|---|--------------------------------|

| | Shareholders | the year | | | |
|----|--|---------------|----------------------------------|---------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Dreamway Share & Stocks India Limited | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | 721950 | 5.78 | 721950 | 5.78 |
| 2. | Guiness Corporate Advisors Private Limited | | | | |
| | At the beginning of the year | 500000 | 4.00 | - | - |
| | At the end of the year | 500000 | 4.00 | 500000 | 4.00 |
| 3. | Sandarv Vintrade Private Limited | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | 227240 | 1.82 | 227240 | 1.82 |
| 4. | Anuradha Sethi | | | | |
| | At the beginning of the year | 500000 | 4.00 | - | - |
| | At the end of the year | 218500 | 1.75 | 218500 | 1.75 |
| 5. | Rohan Desai (HUF) | | | | |
| | At the beginning of the year | 285000 | 2.28 | - | - |
| | At the end of the year | 200500 | 1.60 | 200500 | 1.60 |
| 6. | Manit Sethi | | | | |
| | At the beginning of the year | 500000 | 4.00 | - | - |
| | At the end of the year | 199600 | 1.60 | 199600 | 1.60 |
| 7. | Gulshan Sethi | | | | |
| | At the beginning of the year | 500000 | 4.00 | - | - |
| | At the end of the year | 189000 | 1.51 | 189000 | 1.51 |
| 8. | Murlidhargirdhar Trading Pvt Ltd | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | 181100 | 1.45 | 181100 | 1.45 |

| | | | | | |
|-----|---------------------------------------|--------|------|--------|------|
| 9. | Integrated Master Securities (P) Ltd. | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | 179430 | 1.44 | 179430 | 1.44 |
| 10. | Padmawati Tradevin Pvt Ltd | | | | |
| | At the beginning of the year | - | - | - | - |
| | At the end of the year | 166900 | 1.34 | 166900 | 1.34 |

v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | - | - | - | - |
| 1. | Ajay Bansal | 19,800 | 0.16 | 19,800 | 0.16 |
| 2. | Mahendra Singh Bisht | 5,200 | 0.04 | 5,200 | 0.04 |
| | At the end of the year | - | - | - | - |
| 1. | Mahendra Singh Bisht | 5,200 | 0.04 | 5,200 | 0.04 |

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | - | - | - | - |

| | | | | |
|---|---|---|---|---|
| * Addition | - | - | - | - |
| * Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | - | - | - | - |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|-----|---|-------------------------|--------------------------------------|-----------|-----------------|
| | | Managing Director | Mr. Ajay Bansal, Whole-time Director | Manager | |
| 1 | Gross salary | Nil | 2,40,000 | NA | 2,40,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil | NA | NA | NA |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | NA | NA |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Nil | Nil | NA | NA |
| 2 | Stock Option | Nil | Nil | NA | NA |
| 3 | Sweat Equity | Nil | Nil | NA | NA |
| 4 | Commission - as % of profit - others, specify... | Nil | Nil | NA | NA |
| 5 | Others, please specify | Nil | Nil | NA | NA |
| | Total (A) | Nil | 2,40,000 | NA | 2,40,000 |

B. Remuneration to other directors

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-----|--|-------------------|-----------|---|--------------|
| | | | | | |
| | | Mahesh Chand | Asha Rani | Arun Kumar Gupta(resigned w.e.f.28.03.2015) | |
| 1 | Independent Directors | Nil | Nil | Nil | Nil |
| | Fee for attending board committee meetings | Nil | Nil | Nil | Nil |
| | Commission | Nil | Nil | Nil | Nil |
| | Others, please specify | | | | |
| | Total (1) | Nil | Nil | Nil | Nil |
| 2 | Other Non-Executive Directors | Mahendra Singh | | | |
| | Fee for attending board committee meetings | Nil | | | |
| | Commission | Nil | | | |
| | Others, please specify | | | | |
| | Total (2) | Nil | | | |
| | Total (B)=(1+2) | Nil | | | |
| | Total Managerial Remuneration | Nil | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|--------------------------|---|-----|--------|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | CEO | Neelam Beniwal (resigned w.e.f. 02.06.2014) | CFO | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | NA | 40,000 | NA | 40,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NA | Nil | NA | NIL |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NA | Nil | NA | NIL |
| 2 | Stock Option | NA | Nil | NA | NIL |
| 3 | Sweat Equity | NA | Nil | NA | NIL |
| 4 | Commission | NA | Nil | NA | NIL |
| | - as % of profit | NA | Nil | NA | NIL |
| | others, specify... | NA | Nil | NA | NIL |

| | | | | | |
|---|------------------------|----|--------|----|--------|
| 5 | Others, please specify | NA | Nil | NA | NIL |
| | Total | NA | 40,000 | NA | 40,000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

Date: 18th August, 2015
Place: New Delhi

By Order of the Board
For Gracious Software Limited

Sd-
MAHENDRA SINGH
Director
DIN: 06437665
B-21 - Pardhan, Enclave, Parshuram,
Enclave, VIII-Burari, DELHI - 110084.

Sd-
Mahesh Chand
Director
DIN: 06463812
Village- Tilapta Karanvas,
Grater Noida, Gautam
Budh Nagar, U.P. - 201310

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
GRACIOUS SOFTWARE LIMITED
G-6 Ground Floor, House No. 4346 Gali No. 4C,
Ansari Road, Darya Ganj,
Delhi-110002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by M/s Gracious Software Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Gracious Software Limited, for the financial year ended on 31st March, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under for specified Sections notified and came into effect from 12th September, 2013 and Sections and Rules notified and came into effect from 1st April, 2014;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and Regulations and the Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB) (Not applicable to the Company during Audit period as the Company has not received any FDI, ECB and made any ODI.)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during Audit period as the Company has not introduced any such Scheme);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during Audit period as the Company has not issued any Debt Securities);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during Audit period as the Company has not delisted /proposes to de-list any equity shares from any stock Exchange)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during Audit period as the Company has not brought back / proposed to Buy back any Securities);
- vi. As informed and certified by the Management of the Company, There are no other laws which are specifically applicable to the Company based on their sector/Industry.
- vii. I have relied on the Representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibly of the management. My examination was limited to the verification of procedure on test basis.
- viii. In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts we have relied on the Reports given by the Statutory Auditors of the company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; (Not notified and hence not applicable to the Company during Audit period) and
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (ITP-Platform);

During the period under report, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i. *The Company has not appointed Chief Financial Officer under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment of and Remuneration of Managerial Personnel) Rules, 2014.*
- ii. *The Company has not appointed any Company Secretary since 02nd June 2014 under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment of and Remuneration of Managerial Personnel) Rules, 2014.*

- iii. The Company has not appointed an Internal Auditor under Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.
- iv. There were few instances where Company has given late intimation(s) to the Stock Exchange and Compliances in respect of declaration of quarterly, half yearly and yearly financial results, Reconciliation of Share Capital Audit Reports pursuant to Regulation 55A of the SEBI (Depositories and Participants) Regulation, 1996, Annual Report pursuant to the provision of Clause 30 of the Equity Listing Agreement, Shareholding Pattern pursuant to the provision of Clause 37 of the Equity Listing Agreement and Compliance Certificates under Clause 50(C) of the Equity Listing Agreement of Stock Exchange
- v. The management of the Company has reported and certified that the Company has obtained requisite approvals for grant of loans and advances to any party and complied with the provisions of Section 186 of the Companies Act, 2013 and any other applicable laws. However Company could not produce necessary records/supporting documents during the audit process
- vi. The Company has not filed e-form MGT-14 with the Registrar of Companies, NCT of Delhi & Haryana for adoption of unaudited half yearly results for the year ended 30th September 2013 as per Section 179(3) of the Companies Act, 2013.
- vii. The Company has not filed e-form ADT-1 for re-appointment of Statutory Auditor of the Company under Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rule 2014.
- viii. The Company has not filed e form MGT 10 with Registrar of Companies, NCT of Delhi & Haryana in respect of change of Shareholding of top ten shareholders during the period under audit.
- ix. The Company has filed/submitted various e-forms with late fees during the period under review.
 - (a) Form MGT-14- For disclosure of Director's Interest under section 179(3) of the Companies Act, 2013.
 - (b) Form MGT-15- for filing Report on Annual General Meeting under section 121(1) of the Companies Act, 2013 and Rule 31(2) of Companies (Management and Administration) Rules, 2014.
 - (c) Form 23AC(XBRL) ,23ACA(XBRL)and Form 20B- For Annual Filing for the Financial Year 2013-14.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Neelam Bansal & Associates
Companies Secretaries

Neelam Bansal
Prop.
ACS: 30913
COP: 13239

Place: New Delhi
Date: 18th August, 2015

Note: This report is to read with our letter of even date which is annexed as Annexure A, which forms an integral part of this report.

Annexure A

To,
The Members,
GRACIOUS SOFTWARE LIMITED
G-6 Ground Floor, House No. 4346 Gali No. 4C,
Ansari Road, Darya Ganj,
Delhi-110002

My report of even date is to be read along with this letter:

- 1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report 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 Neelam Bansal & Associates
Companies Secretaries

Neelam Bansal
Prop.
ACS: 30913
COP: 13239

Place: New Delhi
Date: 18th August, 2015

CORPORATE GOVERNANCE

1. PHILOSOPHY

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability – based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Your company has fulfilled all the existing guidelines under Clause 42 of the listing agreement.

2. BOARD OF DIRECTORS

The details of the composition of the Board, number of Directorships & Committee positions held by each of the Directors as on 31st March, 2015 are given hereunder:

| Name | Category | Attendance of Director at Board Meeting | Attendance of Director at Last AGM | Number of Directorship in other Limited Company | Number of Chairmanship/ Membership in Committees |
|---|--|---|------------------------------------|---|--|
| ARUN KUMAR GUPTA(Resigned w.e.f.28.03.2015) | Non-Executive Independent Director | 09 | Yes | Nil | Nil |
| MAHENDRA SINGH | Non-Executive Non Independent Director | 10 | Yes | 01 | Chairman-1 Member-3 |
| MAHESH CHAND | Non-Executive Independent Director | 10 | Yes | 01 | Chairman -1 Member-6 |
| ASHA RANI | Non-Executive Independent Director | 01 | N.A. | 02 | Chairman-4 Member-9 |

2 (A) BOARD MEETINGS

During the year under review, ten [10] Board Meetings were held on the following dates:

30.04.2014, 29.05.2014, 02.06.2014, 21.08.2014, 30.10.2014, 13.11.2014, 09.02.2015, 12.03.2015, 25.03.2015 and 28.03.2015

3. COMMITTEE OF THE BOARD

3(A) Audit Committee

The Board has constituted the Audit Committee is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees. Recommendations/decisions of the committee are submitted to the Board for approval. The quorum for meetings is either two members or one third of the members of the committees, whichever is higher.

Terms of Reference

Apart from all the matters provided in clause 42 of the listing agreement and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company.

Composition

The Audit Committee of the Company consist three Directors out of which two were Independent Director of the Company. All the Directors have good knowledge of Finance, Accounts and Company Law.

During the year under review, the Committee was reconstituted on 28th March, 2015 due to resignation of Mr. Arun Kumar Gupta, Director & Chairman of the Committee. Now Ms. Asha Rani, Independent Director of the company is the Chairman of the Committee.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Composition of Audit Committee as at March 31, 2015:-

1. Mr. Mahendra Singh
2. Mr. Mahesh Chand
3. Ms. Asha Rani

The committee met four (04) time during the financial year ended March 31st 2015.

29.05.2014, 21.08.2014, 13.11.2014, 09.02.2015.

The attendance record of the members at the meeting was as follows:

| Name of Director | Designation | Category | No. Of Meeting Attended |
|-------------------|-------------|--|-------------------------|
| ARUN KUMAR GUPTA* | Chairman | Independent Director | 4 |
| MAHENDRA SINGH | Member | Non-Independent Non Executive Director | 4 |
| MAHESH CHAND | Member | Independent Director | 4 |
| ASHA RANI* | Chairman | Independent Director | 0 |

No sitting fee was paid during the year for attending meetings of Audit Committee.

*Resignation of Mr. Arun Kumar Gupta from the position of Directorship & Appointment of Ms. Asha Rani as an Independent Director w.e.f. 28.03.2015.

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.

- (c) Major accounting entries involving estimates based on the exercise of judgment by Management.
- (d) Significant adjustments arising out of audit.
- (e) Compliance with listing and other legal requirements relating to financial statements.
- (f) Disclosure of any related party transactions.
- (g) Qualifications in the draft audit report.
9. Reviewing, with the management, the half-yearly financial statements before submission to the board for approval.
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the Qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee. In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

3 (B) Stakeholder Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

During the year under review, the Committee was reconstituted on 28th March, 2015 due to resignation of Mr. Arun Kumar Gupta, Director of the Committee. The Chairman of the Committee is Mr. Mahendra Singh.

The Composition of Stakeholders' Relationship Committee as at March 31, 2015:-

1. Mr. Mahendra Singh
2. Mr. Mahesh Chand
3. Ms. Asha Rani

The committee met four (04) time during the financial year ended March 31st 2015.

29.05.2014, 21.08.2014, 13.11.2014, 09.02.2015.

The attendance record of the members at the meeting was as follows:

| Name of Director | Designation | Category | No. Of Meeting Attended |
|-------------------|-------------|--|-------------------------|
| MAHENDRA SINGH | Chairman | Non-Independent Non Executive Director | 4 |
| MAHESH CHAND | Member | Independent Director | 4 |
| ARUN KUMAR GUPTA* | Member | Independent Director | 4 |
| ASHA RANI* | Member | Independent Director | 0 |

*Resignation of Mr. Arun Kumar Gupta from the position of Directorship & Appointment of Ms. Asha Rani as an Independent Director w.e.f. 28.03.2015.

No sitting fees were paid during the year for attending meetings of Share Transfer & Shareholders' Grievance Committee. No investor grievance was received during the year.

Role of Stakeholders' Relationship Committee

The Stakeholder Relationship Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

SHAREHOLDERS COMPLAINTS

The Company has not received any complaint during the financial year 2014-15. There is no complaint pending.

3 (C) Nomination & Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has constituted - the "Nomination and Remuneration Committee during the year and reconstituted on 28th March, 2015 due to resignation of Mr. Arun Kumar Gupta, Director & Chairman of the Committee. The Chairman of the Committee is Ms. Asha Rani.

Composition

The composition of Nomination and Remuneration Committee of the Board comprises of three Directors as at 31st March, 2015. The Committee met one (01) time on 30/10/2014.

| Name of Director | Designation | Category | No. Of Meeting Attended |
|-------------------|-------------|--|-------------------------|
| ARUN KUMAR GUPTA* | Chairman | Independent Director | 1 |
| MAHENDRA SINGH | Member | Non-Independent Non Executive Director | 1 |
| MAHESH CHAND | Member | Independent Director | 1 |
| ASHA RANI* | Chairman | Independent Director | 0 |

*Resignation of Mr. Arun Kumar Gupta from the position of Directorship & Appointment of Ms. Asha Rani as an Independent Director w.e.f. 28.03.2015.

4. Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included in this Annual Report and include discussion on the matters specified in the Clause 42 of the listing agreement.

5. Shareholders

Communication to Shareholders

The half yearly/annual results are being uploaded on the website of the Company i.e. www.gracsoft.com and being send to the Stock Exchange i.e. BSE Limited for their Dissemination Board.

General Body Meetings

1. Annual General Meetings:

Details of last three Annual General Meetings were held as per the details given below:

| Year | Venue | Date & Time | Whether Special Resolution was passed or not |
|---------|--|---|--|
| 2013-14 | G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Daryaganj, New Delhi – 110002 | Thursday, 18th September, 2014 at 9:30 A.M | No special Resolution was passed. |
| 2012-13 | 106 Dua Business Centre, Main Vikash Marg, Shakarpur, Delhi – 110092 | Monday, 30 th September, 2013 at 12:30 P.M | No special Resolution was passed. |
| 2011-12 | 106 Dua Business Centre, Main Vikash Marg, Shakarpur, Delhi – 110092 | Saturday 29 th September, 2012 at 10:30 A.M. | No special Resolution was passed. |

2. Extra Ordinary General Meetings

During the year under review No Extra-ordinary General Meeting was held.

6. DISCLOSURES

6(1) Related Party Transaction

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information under notes to Accounts.

6(2) Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI /and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

6(3) Reconciliation of Share Capital Audit

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

6(4) Non-Mandatory Requirements

The Company does not comply with the non-mandatory requirements.

7. MEANS OF COMMUNICATION

All material information about the company is promptly submitted to the designated stock exchange i.e. BSE Limited where the Company's shares are listed and Half-Yearly and Annual Financial Results are being sent to the exchange for the information of the shareholders.

The financial results are also displayed on the Company's website i.e. www.gracsoft.com.

8. GENERAL SHAREHOLDERS INFORMATION

The following information would be useful to our shareholders:

| Annual General Meeting | |
|------------------------|--|
| Date | Tuesday, 15 th September, 2015 |
| Venue | G-6 Ground Floor, House No. 4346 Gali No. 4C, Ansari Road, Darya Ganj New Delhi-110002 |
| Time | 9.15 A.M |
| Financial Calendar | |
| Financial Year | 1st April, 2014 to 31st March, 2015 |
| Date of Book Closure | 09 th September, 2015 To 11 th September, 2015 |

9. MARKET PRICE DATA

The equity shares are listed on the SME ITP Platform of BSE Limited, the market price of the Company's Equity shares from the date of Listing to 31st March, 2015 are As follows:

Scrip Code: 780002, Scrip Name: Gracious, Scrip Group: ITP

| Date | Open | High | Low | Close | No. of Shares | No. of Trades | Total Turnover | Deliverable Quantity | % Deli Qty to Traded Qty | Spread H-L | Spread C-O |
|--------|------|------|-----|-------|---------------|---------------|----------------|----------------------|--------------------------|------------|------------|
| Apr-14 | 125 | 125 | 125 | 125 | 8000 | 1 | 10 | - | - | 0 | 0 |
| Apr-14 | 145 | 145 | 145 | 145 | 50000 | 3 | 72.5 | - | - | 0 | 0 |
| Apr-14 | 150 | 155 | 150 | 155 | 30000 | 3 | 46 | - | - | 5 | 5 |
| Apr-14 | 160 | 160 | 160 | 160 | 32250 | 3 | 51.6 | - | - | 0 | 0 |
| Apr-14 | 170 | 170 | 170 | 170 | 6000 | 1 | 10.2 | - | - | 0 | 0 |
| Apr-14 | 170 | 170 | 170 | 170 | 6000 | 1 | 10.2 | - | - | 0 | 0 |
| Apr-14 | 190 | 195 | 190 | 195 | 12000 | 2 | 23.1 | - | - | 5 | 5 |
| Apr-14 | 192 | 192 | 192 | 192 | 12000 | 2 | 23.04 | - | - | 0 | 0 |
| May-14 | 190 | 190 | 190 | 190 | 12000 | 1 | 22.8 | - | - | 0 | 0 |
| May-14 | 189 | 189 | 189 | 189 | 14000 | 1 | 26.46 | - | - | 0 | 0 |
| May-14 | 190 | 190 | 190 | 190 | 6000 | 1 | 11.4 | - | - | 0 | 0 |
| Jun-14 | 190 | 190 | 190 | 190 | 10000 | 1 | 19 | - | - | 0 | 0 |
| Jun-14 | 198 | 198 | 198 | 198 | 8000 | 1 | 15.84 | - | - | 0 | 0 |
| Jun-14 | 201 | 201 | 201 | 201 | 5000 | 1 | 10.05 | - | - | 0 | 0 |
| Jun-14 | 198 | 198 | 198 | 198 | 10000 | 1 | 19.8 | - | - | 0 | 0 |
| Jul-14 | 201 | 201 | 201 | 201 | 5000 | 1 | 10.05 | - | - | 0 | 0 |
| Jul-14 | 202 | 204 | 202 | 204 | 24000 | 2 | 48.78 | - | - | 2 | 2 |
| Sep-14 | 221 | 221 | 221 | 221 | 15750 | 1 | 34.81 | - | - | 0 | 0 |
| Sep-14 | 240 | 240 | 240 | 240 | 10000 | 1 | 24 | - | - | 0 | 0 |
| Sep-14 | 248 | 248 | 248 | 248 | 10000 | 2 | 24.8 | - | - | 0 | 0 |
| Sep-14 | 260 | 260 | 260 | 260 | 5000 | 1 | 13 | - | - | 0 | 0 |
| Sep-14 | 265 | 275 | 265 | 275 | 15000 | 3 | 40.5 | - | - | 10 | 10 |
| Sep-14 | 280 | 290 | 280 | 290 | 15000 | 3 | 42.75 | - | - | 10 | 10 |
| Nov-14 | 310 | 315 | 310 | 315 | 10000 | 2 | 31.25 | - | - | 5 | 5 |
| Nov-14 | 325 | 330 | 325 | 330 | 10000 | 2 | 32.75 | - | - | 5 | 5 |
| Nov-14 | 355 | 355 | 355 | 355 | 4000 | 1 | 14.2 | - | - | 0 | 0 |
| Nov-14 | 350 | 352 | 350 | 352 | 10000 | 2 | 35.1 | - | - | 2 | 2 |

| | | | | | | | | | | | |
|--------|-----|-----|-----|-----|--------|----|--------|---|---|----|-----|
| Nov-14 | 352 | 354 | 352 | 354 | 10000 | 2 | 35.3 | - | - | 2 | 2 |
| Dec-14 | 350 | 358 | 350 | 358 | 25000 | 5 | 88.5 | - | - | 8 | 8 |
| Dec-14 | 358 | 360 | 358 | 360 | 10000 | 2 | 35.9 | - | - | 2 | 2 |
| Dec-14 | 360 | 362 | 360 | 362 | 10000 | 2 | 36.1 | - | - | 2 | 2 |
| Dec-14 | 373 | 373 | 373 | 373 | 4000 | 1 | 14.92 | - | - | 0 | 0 |
| Dec-14 | 370 | 371 | 370 | 371 | 10000 | 2 | 37.05 | - | - | 1 | 1 |
| Dec-14 | 370 | 372 | 370 | 372 | 10000 | 2 | 37.1 | - | - | 2 | 2 |
| Dec-14 | 372 | 373 | 372 | 373 | 7500 | 2 | 27.94 | - | - | 1 | 1 |
| Dec-14 | 370 | 373 | 370 | 373 | 20000 | 4 | 74.3 | - | - | 3 | 3 |
| Dec-14 | 365 | 370 | 365 | 370 | 20000 | 4 | 73.55 | - | - | 5 | 5 |
| Dec-14 | 372 | 372 | 372 | 372 | 5000 | 1 | 18.6 | - | - | 0 | 0 |
| Dec-14 | 360 | 368 | 358 | 368 | 30000 | 6 | 108.9 | - | - | 10 | 8 |
| Dec-14 | 368 | 368 | 368 | 368 | 18000 | 3 | 66.24 | - | - | 0 | 0 |
| Dec-14 | 366 | 366 | 366 | 366 | 5000 | 1 | 18.3 | - | - | 0 | 0 |
| Jan-15 | 366 | 372 | 366 | 372 | 20000 | 4 | 73.8 | - | - | 6 | 6 |
| Jan-15 | 360 | 363 | 360 | 363 | 16800 | 3 | 60.78 | - | - | 3 | 3 |
| Jan-15 | 360 | 360 | 360 | 360 | 5000 | 1 | 18 | - | - | 0 | 0 |
| Jan-15 | 359 | 360 | 359 | 360 | 8000 | 2 | 28.77 | - | - | 1 | 1 |
| Jan-15 | 361 | 362 | 361 | 362 | 8000 | 2 | 28.92 | - | - | 1 | 1 |
| Jan-15 | 365 | 365 | 365 | 365 | 4000 | 1 | 14.6 | - | - | 0 | 0 |
| Jan-15 | 366 | 367 | 350 | 350 | 13360 | 4 | 48 | - | - | 17 | -16 |
| Jan-15 | 360 | 362 | 360 | 361 | 17000 | 4 | 61.37 | - | - | 2 | 1 |
| Jan-15 | 360 | 364 | 360 | 364 | 27000 | 6 | 97.66 | - | - | 4 | 4 |
| Jan-15 | 364 | 369 | 364 | 369 | 37500 | 8 | 137.41 | - | - | 5 | 5 |
| Jan-15 | 369 | 370 | 369 | 370 | 45500 | 10 | 168.14 | - | - | 1 | 1 |
| Jan-15 | 370 | 374 | 370 | 374 | 53000 | 11 | 197.5 | - | - | 4 | 4 |
| Jan-15 | 370 | 377 | 370 | 377 | 46200 | 11 | 172.38 | - | - | 7 | 7 |
| Jan-15 | 377 | 380 | 365 | 380 | 53100 | 13 | 200.61 | - | - | 15 | 3 |
| Jan-15 | 376 | 380 | 376 | 378 | 32800 | 9 | 123.99 | - | - | 4 | 2 |
| Feb-15 | 379 | 381 | 360 | 375 | 28800 | 7 | 107.83 | - | - | 21 | -4 |
| Feb-15 | 374 | 376 | 374 | 376 | 8400 | 3 | 31.5 | - | - | 2 | 2 |
| Feb-15 | 373 | 374 | 371 | 374 | 13700 | 4 | 51.1 | - | - | 3 | 1 |
| Feb-15 | 374 | 374 | 372 | 372 | 7700 | 2 | 28.74 | - | - | 2 | -2 |
| Feb-15 | 373 | 373 | 372 | 372 | 8700 | 3 | 32.42 | - | - | 1 | -1 |
| Feb-15 | 372 | 372 | 372 | 372 | 5100 | 1 | 18.97 | - | - | 0 | 0 |
| Feb-15 | 368 | 372 | 368 | 372 | 43500 | 10 | 161.07 | - | - | 4 | 4 |
| Feb-15 | 369 | 372 | 369 | 372 | 29000 | 6 | 107.46 | - | - | 3 | 3 |
| Feb-15 | 371 | 374 | 370 | 373 | 60250 | 14 | 224.08 | - | - | 4 | 2 |
| Feb-15 | 373 | 375 | 369 | 370 | 55200 | 14 | 205.32 | - | - | 6 | -3 |
| Feb-15 | 367 | 373 | 367 | 373 | 37500 | 10 | 138.7 | - | - | 6 | 6 |
| Feb-15 | 368 | 378 | 368 | 378 | 121600 | 30 | 452.79 | - | - | 10 | 10 |
| Feb-15 | 376 | 377 | 370 | 375 | 38300 | 9 | 143.14 | - | - | 7 | -1 |
| Feb-15 | 374 | 376 | 369 | 374 | 48400 | 13 | 180.67 | - | - | 7 | 0 |
| Feb-15 | 369 | 378 | 369 | 378 | 73200 | 18 | 273.18 | - | - | 9 | 9 |
| Feb-15 | 368 | 374 | 368 | 374 | 39250 | 9 | 145.56 | - | - | 6 | 6 |
| Feb-15 | 372 | 378 | 372 | 377 | 58300 | 14 | 218.9 | - | - | 6 | 5 |
| Feb-15 | 372 | 380 | 372 | 380 | 65000 | 14 | 244.52 | - | - | 8 | 8 |

| | | | | | | | | | | | |
|--------|-----|-----|-----|-----|--------|----|--------|---|---|----|----|
| Feb-15 | 365 | 370 | 360 | 369 | 69200 | 18 | 253.91 | - | - | 10 | 4 |
| Feb-15 | 371 | 372 | 371 | 371 | 16400 | 5 | 60.89 | - | - | 1 | 0 |
| Mar-15 | 372 | 375 | 371 | 371 | 25200 | 7 | 93.96 | - | - | 4 | -1 |
| Mar-15 | 365 | 374 | 365 | 373 | 11900 | 3 | 44.01 | - | - | 9 | 8 |
| Mar-15 | 373 | 375 | 373 | 375 | 23600 | 6 | 88.27 | - | - | 2 | 2 |
| Mar-15 | 368 | 376 | 368 | 376 | 116400 | 33 | 433.17 | - | - | 8 | 8 |
| Mar-15 | 376 | 376 | 375 | 375 | 13300 | 3 | 49.93 | - | - | 1 | -1 |
| Mar-15 | 370 | 375 | 365 | 366 | 86000 | 22 | 318.8 | - | - | 10 | -4 |
| Mar-15 | 369 | 374 | 369 | 371 | 48200 | 13 | 178.85 | - | - | 5 | 2 |
| Mar-15 | 371 | 376 | 371 | 372 | 66500 | 15 | 248 | - | - | 5 | 1 |
| Mar-15 | 370 | 375 | 360 | 371 | 121700 | 28 | 451.72 | - | - | 15 | 1 |
| Mar-15 | 370 | 370 | 368 | 369 | 69700 | 16 | 257.51 | - | - | 2 | -1 |
| Mar-15 | 367 | 375 | 366 | 375 | 120450 | 32 | 446.44 | - | - | 9 | 8 |
| Mar-15 | 369 | 375 | 369 | 375 | 95500 | 21 | 355.05 | - | - | 6 | 6 |
| Mar-15 | 370 | 377 | 368 | 376 | 113200 | 27 | 421.67 | - | - | 9 | 6 |
| Mar-15 | 371 | 376 | 369 | 375 | 71390 | 17 | 266.66 | - | - | 7 | 4 |
| Mar-15 | 368 | 377 | 368 | 371 | 242300 | 67 | 900.91 | - | - | 9 | 3 |
| Mar-15 | 368 | 379 | 360 | 379 | 188800 | 44 | 705.13 | - | - | 19 | 11 |
| Mar-15 | 368 | 378 | 368 | 375 | 146680 | 35 | 546.84 | - | - | 10 | 7 |
| Mar-15 | 355 | 376 | 355 | 375 | 151800 | 42 | 562.93 | - | - | 21 | 20 |
| Mar-15 | 370 | 376 | 370 | 376 | 19600 | 6 | 73.32 | - | - | 6 | 6 |
| Mar-15 | 369 | 372 | 369 | 372 | 31315 | 9 | 116.12 | - | - | 3 | 3 |
| Mar-15 | 373 | 373 | 373 | 373 | 3750 | 1 | 13.99 | - | - | 0 | 0 |

10. LISTING AT STOCK EXCHANGE

BSE LIMITED

BSE SME Platform
 REGD. OFFICE: 25 TH FLOOR,
 P.J.TOWERS, DALAL STREET,
 FORT, MUMBAI - 400 001.

The ISIN number allotted to the company for demat of shares are as under.

NSDL: INE757P01015

CDSL: INE757P01015

DETAILS OF NON COMPLIANCE

There has been no instance of Non Compliance with any Legal requirement, nor have there been any penalty imposed by any stock Exchange, SEBI or any matter relating to that.

11. CATEGORIES OF SHAREHOLDING AS AT 31.03.2015

| Promoter | Number of Shares | Percentage (%) |
|------------------------|------------------|----------------|
| Individual | 25000 | 0.20 |
| Body Corporate | 3135000 | 25.08 |
| Total | 3160000 | 25.28 |
| Public | Number of Shares | Percentage (%) |
| Individual | 5323480 | 42.59 |
| Body Corporate | 3665320 | 29.32 |
| Hindu Undivided Family | 351200 | 2.81 |
| Total | 9340000 | 74.72 |
| Grand Total | 12500000 | 100 |

DISTRIBUTION SCHEDULE

| SHARE OF DEBENTURE HOLDING OF NOMINAL VALUE OF | | SHARE/DEBENTURE HOLDING | | SHARE/DEBENTURE AMOUNT | |
|--|----------|-------------------------|------------|------------------------|------------|
| (Rs.) | (Rs.) | Number | % of Total | In Rs. | % of Total |
| (1) | (2) | (2) | (3) | (4) | (5) |
| Up to | 5,000 | 500 | 0.004 | 5000 | 0.004 |
| 5,001 | 10,000 | 1000 | 0.008 | 10000 | 0.008 |
| 10,001 | 20,000 | 0 | 0 | 0 | 0 |
| 20,001 | 30,000 | 46300 | 0.37 | 463000 | 0.37 |
| 30,001 | 40,000 | 11400 | 0.091 | 114000 | 0.091 |
| 40,001 | 50,000 | 69100 | 0.553 | 691000 | 0.553 |
| 50,001 | 1,00,000 | 515130 | 4.121 | 5151300 | 4.121 |
| 1,00,001 and above | | 11856570 | 94.853 | 118565700 | 94.853 |
| TOTAL | | 12500000 | 100 | 100 | 100 |

12. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board and Senior Management of the Company. All Board Members and Senior Management personnel have affirmed compliance with the Code on annual basis and Certificate to the Board of Director contains a declaration to this effect.

13. SHARE REGISTRAR AND TRANSFER AGENTS:

MAS SERVICES LIMITED

T-34, 2nd Floor, Okhla Industrial Area,
Phase – II, New Delhi - 110020
Tel.: +91 11 26387281/82/83 (3 Lines)
Fax: +91 11 26387284

14. COMPLIANCE OFFICER

Mr. Mahendra Singh,
G-6, Ground Floor,
House No. 4346, Gali No. 4C,
Ansari Road, Darya Ganj
Delhi- 110002
Tel: 011- 32931123;
[Website: www.gracsoft.com](http://www.gracsoft.com)
[E-Mail: gracious_software@yahoo.com](mailto:gracious_software@yahoo.com)

15. Address for Correspondence

Gracious Software limited

Regd. Office: G-6 Ground Floor,
House No. 4346 Gali No. 4C,
Ansari Road, Darya Ganj
Delhi- 110002
Tel: 011- 32931123;
[Website: www.gracsoft.com](http://www.gracsoft.com)
[E-Mail: gacious_software@yahoo.com;](mailto:gacious_software@yahoo.com)

16. LISTING FEES

The Listing fee for 2015-16 has been paid to the Stock Exchange.

DECLARATION

As provided under Clause 42 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Date: 18th August, 2015
Place: New Delhi

By Order of the Board
For Gracious Software Limited
Sd/-
Mahendra Singh
Director
DIN: 06437665
B-21 - Pardhan, Enclave, Parshuram,
Enclave, Vill-Burari, DELHI - 110084.

CEO / CFO CERTIFICATE

I, Mahendra Singh, Director certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of my 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee:
- i. significant changes in internal control over financial reporting 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; and
 - iii. there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 18th August, 2015
Place: New Delhi

By Order of the Board
For Gracious Software Limited
Sd/-
Mahendra Singh
Director
DIN: 06437665
B-21 - Pardhan, Enclave, Parshuram,
Enclave, Vill-Burari, DELHI - 110084.

**Auditor's Certificate on compliance with the conditions of
Corporate Governance under clause 42 of the Listing Agreement**

TO
THE MEMBERS
GRACIOUS SOFTWARE LIMITED,

We have examined the relevant documents of Gracious Software Limited for the year ended 31/03/15 for certifying the compliance with conditions of the corporate governance under clause 42 of the listing agreement of the said company with the 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 corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, and the representation made by the management, we certify that the company has complied with the conditions of corporate governance as stipulated in Clause 42 of the above mentioned listing agreement. As required by the guidance note on certification of corporate governance issued by the Institute of Chartered Accountants of India, we state that the share registry department of the company has certified that as at 31st March, 2015 there were no investor grievances remaining unattended/pending for more than thirty days. We state that 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 HARESH MISHRA & ASSOCIATES
Chartered Accountants

Sd/-
CA. HARESH KUMAR MISHRA
Membership No.: 518661
FRN: 024716N

Place: New Delhi
Date: 18.08.2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure, Developments, Opportunities and threats

The Company has been formed to carry on the Business of providing IT services, consulting and business solutions organization and delivering results to our business clients. We also operate as reseller organization by a team of dynamic professionals with marketing, sales and technical know-how spread across various industries. We predominantly cater to Delhi and nearby markets and act as IT Distribution space. We evolved our business as a startup organization that adds value at all stages of the technology selling value chain. We deliver the value proposition right from establishing the brand and product awareness, creating demand, enlisting partners, conducting demonstrations and training and providing in depth sales and marketing support. We play the role of a Distributor and reseller offering the complete bouquet of services. We act as the vital link between the original manufacturer / developers and end users and other resellers. Distribution and resellers business of software and hardware is high volume business wherein efficient management of stock plays vital role. Higher the turnaround of materials turns better the health of business. Managing the risk of high obsolescence of inventory due to rapid technology changes and managing credit extended to channel partners is very important. We have systematic inventory management processes and strong credit management policies in place to address these business risks. We have a process to continuously monitor the ageing of stocks. Norms are placed on the extent of over-ageing of stocks which are carried on the basis of product category. We have an in house credit management team, which effectively manages our credit risk. We take into consideration the overall quality and aging of the receivable portfolio, specifically identified customer risks.

Segment-wise

Revenue of the Company is generated from only one source namely providing of IT services and consultancy. Income of the company has been at Rs. 15,583,331.00 and current year Profit is Rs. 418,129.85.

Risk and Concerns

The market for IT hardware and software are rapidly growing. We face competition from new entrants as well as existing established domestic and foreign companies in India. We expect further competition from countries with lower wage costs such as China, Philippines and Eastern Europe. Existing players are ramping up their facilities. This has resulted in rising salaries and higher attrition rates. Our competition also depends on several factors which includes rapidly changing technology changes in clients IT budgets, Slowing growth of Indian economy, and most importantly our pace in keeping up with the changing trends in Information Technology industry.

Internal control and their adequacy

The company has adequate internal control systems and procedures commensurate with the size and nature of business. The Company has proper system of disposal of assets of the company. Significant financial, managerial and operating information is accurate, reliable and is provided timely. All internal policies and statutory guidelines are complied with.

Material development in Human Resources and Industrial Relation front, including no. of people employed.

Industrial relations remained cordial and harmonious during the year under review and there was no working day loss due to any adverse activities.

Cautionary statement

Statement in the management discussion and analysis describing the company's objectives, estimates, projections and expectation may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially due to economic conditions effecting demand, supply, prices, change in government policies, tax laws and other incidental factors.



Haresh Mishra & Associates
Chartered Accountants
Address: S-524, Neelkanth House, 304, 3rd Floor School Block
Shakarpur, Delhi-110092.

INDEPENDENT AUDITOR'S REPORT

To,

THE MEMBERS OF

M/S GRACIOUS SOFTWARE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of GRACIOUS SOFTWARE LIMITED (CIN: L72300DL2007PLC168989) ("the Company). It comprise the balance sheet as at 31st March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the state of affairs of the Company as at 31st March 2015, its profit/loss and its 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, 2015("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i. Company does not have any pending litigations which would impact its financial position.
 - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For HARESH MISHRA & ASSOCIATES

Chartered Accountants

Sd/-

CA. HARESH KUMAR MISHRA

Membership No.: 518661

FRN: 024716Ns

Place: New Delhi

Date: 29.05.2015

GRACIOUS SOFTWARE LIMITED

Annexure to the Auditors' Report

Companies (Auditor's Report) Order, 2015 ("the Order")

The Annexure referred to in our report to the members of **GRACIOUS SOFTWARE LIMITED** for the year Ended on 31st March 2015. We report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) Company does not have any inventory at the end of the year.

(b) In view of our comment in paragraph (a) above, clause (ii) (a) (b) and of paragraph 2 of the aforesaid order are not applicable to the company.
3. (a) Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

(b) in view of our comment in paragraph (a) above, clause (iii) (a) and (b) of paragraph 3 of the aforesaid order are not applicable to the company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. Company has not accepted deposits from public. Hence provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, do not apply to this company.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any of the products manufactured/services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth tax, Sales tax, Excise Duty, Cess, Employees' State Insurance and Investor Education and Protection Fund.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, there were no amount which were required to be transferred to investor education and protection fund. Therefore, the provision of clause 3 (viii) (c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
8. The company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses in such financial year and in the immediately preceding financial year.
 9. In our opinion and according to the information and explanation given to us, the company has not take any loan from financial institution and bank hence clause 9 of the CARO 2015 is not applicable.
 10. The Company has not given any guarantee for the loans taken by others from bank & financial Institutions.
 11. In Our Opinion and according to the information and explanations given to us, company does not have any term loans.
 12. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For HARESH MISHRA & ASSOCIATES
Chartered Accountants

Sd/-

CA. HARESH KUMAR MISHRA

Membership No.: 518661

FRN: 024716N

Place: New Delhi

Date: 29.05.2015

GRACIOUS SOFTWARE LIMITED

CIN: U72300DL2007PLC168989

H.No. 4346 G-6 Ground Floor Gali No. 4C Ansari Road, Darya Ganj Delhi-110002

Balance Sheet as at 31st March, 2015

(Amount in Rs.)

| Particulars | Note No | As at 31.03.2015 | As at 31.03.2014 |
|---|---------|-----------------------|-----------------------|
| I. EQUITY AND LIABILITIES | | | |
| <u>(1) Shareholder's Funds</u> | | | |
| (a) Share Capital | 1 | 125,000,000.00 | 125,000,000.00 |
| (b) Reserves and Surplus | 2 | 646,852.14 | 228,722.29 |
| (c) Money received against share warrants | | - | - |
| <u>(2) Share application money pending allotment</u> | | | |
| | | - | - |
| <u>(3) Non-Current Liabilities</u> | | | |
| (a) Long-term borrowings | 3 | - | - |
| (b) Deferred tax liabilities (Net) | 4 | - | 3,508.00 |
| (c) Other Long term liabilities | 5 | 45,260,000.00 | 53,960,000.00 |
| (d) Long term provisions | 6 | - | - |
| <u>(4) Current Liabilities</u> | | | |
| (a) Short-term borrowings | 7 | - | 7,987,500.00 |
| (b) Trade payables | 8 | 8,625,193.00 | 3,509,730.00 |
| (c) Other current liabilities | 9 | 929,551.00 | 383,416.00 |
| (d) Short-term provisions | 10 | 199,689.00 | 65,276.90 |
| Total | | 180,661,285.14 | 191,138,153.19 |
| II.Assets | | | |
| <u>(1) Non-current assets</u> | | | |
| <u>(a) Fixed assets</u> | | | |
| (i) Tangible assets | 11 | 59,527.01 | 96,243.07 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in-progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 12 | 51,050,000.00 | 51,050,000.00 |
| (c) Deferred tax assets (net) | 13 | 2,171.00 | - |
| (d) Long term loans and advances | 14 | 51,456,350.00 | 57,717,155.00 |
| (e) Other non-current assets | 15 | 1,140,654.00 | 1,013,494.00 |
| <u>(2) Current assets</u> | | | |
| (a) Current investments | 16 | - | - |
| (b) Inventories | 17 | - | - |
| (c) Trade receivables | 18 | 12,201,476.00 | 8,717,139.00 |
| (d) Cash and cash equivalents | 19 | 2,437,016.13 | 978,694.12 |
| (e) Short-term loans and advances | 20 | 61,651,665.01 | 71,459,000.00 |
| (f) Other current assets | 21 | 662,425.99 | 106,428.00 |
| Total | | 180,661,285.14 | 191,138,153.19 |

NOTES TO ACCOUNTS

Notes referred to above and notes attached there to form an integral part of Balance Sheet

As per our report of even date attached.

**For Haresh Mishra & Associates
Chartered Accountants**

FOR GRACIOUS SOFTWARE LIMITED

**Sd/
CA. Haresh Kumar Mishra
Proprieter
M No. : 518661
FRN: 024716N**

**Sd/
MAHESH CHAND
(DIRECTOR)
DIN: 06463812
VILLAGE- TILAPTA
KARANVAS,GRATER
NOIDA, GAUTAM BUDH.
NAGAR,U.P- 201310**

**Sd/
MAHENDRA SINGH
(DIRECTOR)
DIN: 06437665
B-21 - PARDHAN
ENCLAVE,PARSHURAM
ENCLAVE,VILL-BURARI
DELHI - 110084.**

Date: 29.05. 2015

Place : New Delhi

GRACIOUS SOFTWARE LIMITED

CIN: U72300DL2007PLC168989

H.No. 4346 G-6 Ground Floor Gali No. 4C Ansari Road, Darya Ganj Delhi-110002

Profit and Loss statement for the year ended 31st March, 2015
(Amount in Rs.)

| Particulars | Note No | As at 31.03.2015 | As at 31.03.2014 |
|---|------------|----------------------|----------------------|
| I. Revenue from operations | 22 | 15,258,115.00 | 12,826,247.00 |
| II. Other Income | 23 | 325,216.00 | 66,371.48 |
| III. Total Revenue (I +II) | | 15,583,331.00 | 12,892,618.48 |
| IV. Expenses: | | | |
| Cost of materials consumed | 24 | 12,878,134.00 | 10,960,977.00 |
| Purchase of Stock-in-Trade | | - | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 25 | - | - |
| Employee benefit expense | 26 | 969,877.00 | 747,832.00 |
| Other expenses | 27 | 1,068,718.87 | 943,857.35 |
| Financial costs | 28 | 1,146.12 | 12,340.20 |
| Depreciation and amortization expense | 29 | 36,716.06 | 26,120.67 |
| Total Expenses | | 14,954,592.05 | 12,691,127.22 |
| V. Profit before exceptional and extraordinary items and tax. | (III - IV) | 628,738.95 | 201,491.26 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 628,738.95 | 201,491.26 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax (VII - VIII) | | 628,738.95 | 201,491.26 |
| X. Tax expense: | | | |
| (1) Current tax | | 199,689.00 | 65,276.90 |
| (2) Deferred tax | | (5,679.00) | 97.00 |
| (3) Income tax Adjustment | | 16,599.10 | - |
| (4) Deffered tax Adjustment | | - | - |
| XI. Profit(Loss) from the perid from continuing operations. | (IX-X) | 418,129.85 | 136,117.36 |
| DISCONTINUING OPERATIONS | | | |
| XII. Profit/(Loss) from discontinuing operations | | - | - |

| | | |
|--|-------------------|-------------------|
| XIII. Tax expense of discounting operations | - | - |
| XIV. Profit/(Loss) from Discontinuing operations (XII - XIII) | - | - |
| XV. Profit/(Loss) for the period (XI + XIV) | 418,129.85 | 136,117.36 |
| XVI. Earning per equity share: | | |
| (1) Basic | 0.033 | 0.011 |
| (2) Diluted | 0.033 | 0.011 |

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement

As per our report of even date attached.

**For Haresh Mishra & Associates
Chartered Accountants**

FOR GRACIOUS SOFTWARE LIMITED

**Sd/
CA. Haresh Kumar Mishra
Proprietor
M No. : 518661
FRN: 024716N**

Date: 29.05. 2015

Place : New Delhi

**Sd/
MAHESH CHAND
(DIRECTOR)
DIN: 06463812
VILLAGE- TILAPTA
KARANVAS,GRATER
NOIDA, GAUTAM BUDH.
NAGAR,U.P- 201310**

**Sd/
MAHENDRA SINGH
(DIRECTOR)
DIN: 06437665
B-21 - PARDHAN
ENCLAVE,PARSHURAM
ENCLAVE,VILL-BURARI
DELHI - 110084.**

GRACIOUS SOFTWARE LIMITED

CIN: L72300DL2007PLC168989

H.No. 4346 G-6 Ground Floor Gali No. 4C Ansari Road, Darya Ganj Delhi-110002

Notes Forming Part of the Balance Sheet
Note : 1 Share Capital

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--|-----------------------|-----------------------|
| <u>AUTHORIZED CAPITAL</u> | | |
| 1,25,00,000 Equity Shares of Rs. 10/- each. | 125,000,000.00 | 125,000,000.00 |
| <u>ISSUED</u> | | |
| 1,25,00,000 Equity Shares of Rs. 10/- each. | 125,000,000.00 | 125,000,000.00 |
| <u>SUBSCRIBED & PAID UP CAPITAL</u> | | |
| 1,25,00,000 Equity Shares of Rs. 10/- each. | 125,000,000.00 | 125,000,000.00 |
| Total | 125,000,000.00 | 125,000,000.00 |

Note: 1A Reconciliation of No. of shares

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--|---------------------|------------------|
| Number of Equity Shares at the beginning | 12,500,000 | 4,060,000 |
| Add:- Number of Shares Issued | - | 8,440,000 |
| Number of Equity Shares at the end | 12,500,000 | 12,500,000 |

Note: 1B Details of Share holding more than 5% as at 31st March, 2015

| Name | Class of Share | No. of Share Holding | Percentage of Holding |
|---|----------------|----------------------|-----------------------|
| Juris Financial Service Private Limited | Equity | 3,135,000 | 25.08% |
| Dreamway Share & Stocks India Limited | Equity | 721,950 | 5.78% |

Note: 2 Reserves & Surplus

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-----------------|------------------|------------------|
| Capital Reserve | - | - |

| | | |
|-----------------------------------|-------------------|-------------------|
| Capital Redemption Reserve | - | - |
| Securities Premium reserve | - | - |
| Debenture Redemption Reserve | - | - |
| Revaluation Reserve | - | - |
| Shares Option Outstanding Account | - | - |
| Other Reserve (General Reserve) | - | - |
| Surplus (Profit & Loss Account) | - | - |
| Op. Balance of Profits & Loss A/C | 228,722.29 | 92,604.93 |
| Current Year Profit & Loss A/C | 418,129.85 | 136,117.36 |
| | <u>646,852.14</u> | <u>228,722.29</u> |
| Total | 646,852.14 | 228,722.29 |

Note : 3 Long Term Borrowings

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--|------------------|------------------|
| Bonds / Debentures | - | - |
| <u>Term Loan</u> | | |
| - From Bank | - | - |
| - From Other Parties | - | - |
| Deferred Payment Liabilities | - | - |
| Deposit | - | - |
| Loans & Advances From Related Parties | - | - |
| Long Term Maturities of Finance lease obligation | - | - |
| Loans From Directors | - | - |
| Other Loans | - | - |
| Total | - | - |

Note : 4 Deferred Tax Liabilities (Net)

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|------------------------|------------------|------------------|
| Deffered Tax Liability | - | 3,508.00 |
| Total | - | 3,508.00 |

Note : 5 Other Long Term Liabilities

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------|----------------------|----------------------|
| Others Payable | 45,260,000.00 | 53,960,000.00 |
| Total | 45,260,000.00 | 53,960,000.00 |

Note : 6 Long Term Provisions

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-----------------------------------|------------------|------------------|
| Provision from Employment Benefit | - | - |
| Other | - | - |
| Total | - | - |

Note : 7 Short Term Borrowings

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--|------------------|---------------------|
| <u>Loan Repayable on Demand</u> | | |
| - From Bank | - | - |
| - From Other Parties | - | - |
| Loans & Advances From Related Parties | - | - |
| Deposits | - | - |
| Others | - | 7,987,500.00 |
| Total | - | 7,987,500.00 |

Note : 8 Trades Payable

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------|---------------------|---------------------|
| Trade Payables | 8,625,193.00 | 3,509,730.00 |
| Total | 8,625,193.00 | 3,509,730.00 |

Note : 9 Other Current Liabilities

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------------------|-------------------|-------------------|
| Audit Fees Payable | 24,000.00 | 14,000.00 |
| Expenses Payable | 192,320.00 | 128,120.00 |
| Salary Payable | 19,072.00 | 57,022.00 |
| Service Tax Payable | 373,050.00 | 111,240.00 |
| TDS Payable | 48,609.00 | 73,034.00 |
| Other Liabilities | 272,500.00 | - |
| Total | 929,551.00 | 383,416.00 |

Note : 10 Short Term Provisions

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--|-------------------|------------------|
| <u>Provision From Employees Benefit</u> | - | - |
| <u>Others</u> | | |
| Provision For Income Tax | 199,689.00 | 65,276.90 |
| Total | 199,689.00 | 65,276.90 |

GRACIOUS SOFTWARE LIMITED

CIN: L72300DL2007PLC168989

H.No. 4346 G-6 Ground Floor Gali No. 4C Ansari Road, Darya Ganj Delhi-110002

Depreciation Chart as per companies Act' 2013 as on 31st March' 2015

Note : 11 Fixed Assets

| S. No | Particulars | Gross Block | | | | Depreciaton | | | | Net Block | |
|-----------|-------------------------------------|------------------------|--------------------------|---------------------------|------------------------|------------------------|--------------------------|---------------------------|------------------------|----------------------|----------------------|
| | | Value as on 01.04.2014 | Addition during the year | Deduction during the year | Value as on 31.03.2015 | Value as on 01.04.2014 | Addition during the year | Deduction during the year | Value as on 31.03.2015 | WDV as on 31.03.2015 | WDV as on 31.03.2014 |
| I | <u>Tangible Assets</u> | | | | | | | | | | |
| 1 | Computer & Software | 72,100.00 | - | - | 72,100.00 | 36,192.79 | 16,918.08 | - | 53,110.87 | 18,989.13 | 35,907.21 |
| 3 | Furnitures & Fixtures | 56,750.00 | - | - | 56,750.00 | 6,971.49 | 14,850.67 | - | 21,822.16 | 34,927.84 | 49,778.51 |
| 4 | Office Equipment | 24,750.00 | - | - | 24,750.00 | 14,192.65 | 4,947.31 | - | 19,139.96 | 5,610.04 | 10,557.35 |
| | SUB TOTAL (A) | 153,600.00 | - | - | 153,600 | 57,357 | 36,716 | - | 94,073 | 59,527 | 96,243.07 |
| II | <u>Intangible Assets</u> | | | | | | | | | | |
| | SUB TOTAL (B) | - | - | - | - | - | - | - | - | - | - |
| | Total [A + B] (Current Year) | 153,600.00 | - | - | 153,600.00 | 57,356.93 | 36,716.06 | - | 94,072.99 | 59,527.01 | 96,243.07 |
| | (Previous Year) | 134,250.00 | 19,350.00 | - | 153,600.00 | 31,236.26 | 26,120.67 | | 57,356.93 | 96,243.07 | 103,013.74 |

GRACIOUS SOFTWARE LIMITED
CIN: L72300DL2007PLC168989
H.No. 4346 G-6 Ground Floor Gali No. 4C Ansari Road, Darya Ganj Delhi-110002
Notes Forming Part of the Balance Sheet

Note : 12 Non Current Investment

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------------------------------|----------------------|----------------------|
| Investment in Property | - | - |
| Investment in Equity Instrument | 51,050,000.00 | 51,050,000.00 |
| Investment in Partnership Firm | - | - |
| Investment in Mutual Fund | - | - |
| Other Investment | - | - |
| Total | 51,050,000.00 | 51,050,000.00 |

Note : 13 Deferred Tax Assets (Net)

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------------------|------------------|------------------|
| Deferred Tax Assets | 2,171.00 | - |
| Total | 2,171.00 | - |

Note : 14 Long Term Loans and Advances

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---|------------------|------------------|
| <u>Capital Assets</u> | | |
| a) Secured, Considered Good : | - | - |
| b) Unsecured, Considered Good : | - | - |
| c) Doubtful | - | - |
| <u>Security Deposit</u> | | |
| a) Secured, Considered Good : | - | - |
| b) Unsecured, Considered Good : | - | - |
| c) Doubtful | - | - |
| <u>Loans & Advances to related parties</u> | - | - |
| <u>Other Loans & Advances</u> | | |
| Others | 51,456,350.00 | 57,717,155.00 |

| | | |
|--------------|----------------------|----------------------|
| Total | 51,456,350.00 | 57,717,155.00 |
|--------------|----------------------|----------------------|

Note : 15 Other Non Current Assets

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--|---------------------|---------------------|
| Long Term Trade Recievables | | |
| <u>a) Secured, Considered Good :</u> | - | - |
| <u>b) Unsecured, Considered Good :</u> | - | - |
| <u>c) Doubtful</u> | - | - |
| - | | |
| Others | | |
| Security Deposit | 140,450.00 | 140,450.00 |
| Prelimery Exp. | 1,000,204.00 | 873,044.00 |
| Total | 1,140,654.00 | 1,013,494.00 |

Note :16 Current Investment

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------------------------|------------------|------------------|
| Investment in Equity | - | - |
| Investment in Prefrence Shares | - | - |
| Investment in Govt Securities | - | - |
| Investment in debentures & Bonds | - | - |
| Investment in Mutual Fund | - | - |
| Investment in Partnership Firm | - | - |
| Others | | |
| Total | - | - |

Note : 17 Inventories

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------------------|------------------|------------------|
| Raw Material | - | - |
| Work-in-Progress | - | - |
| Finished Goods | - | - |
| Stock-in-Trade | - | - |
| Stores & Spares | - | - |
| Loose Tools | - | - |
| Other (Specify the nature) | - | - |
| Goods-in-transit | - | - |

| | | |
|--------------|---|---|
| Total | - | - |
|--------------|---|---|

Note : 18 Trade Recievables

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--|----------------------|---------------------|
| <u>Outstanding for more than six months</u> | | |
| a) Secured, Considered Good : | - | - |
| b) Unsecured, Considered Good : | - | - |
| c) Doubtful | - | - |
| - | | |
| <u>Others</u> | | |
| a) Secured, Considered Good : | - | - |
| b) Unsecured, Considered Good : | 12,201,476.00 | 8,717,139.00 |
| - | | |
| c) Doubtful | - | - |
| - | | |
| - | | |
| Total | 12,201,476.00 | 8,717,139.00 |

Note : 19 Cash & Cash Equivalent

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-----------------------|---------------------|-------------------|
| Cash and Bank Balance | 2,437,016.13 | 978,694.12 |
| Cheques on Hand | - | - |
| Total | 2,437,016.13 | 978,694.12 |

Note :20 Short Terms Loans and Advances

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------------------------------------|----------------------|----------------------|
| Loans & Advances from related parties | | |
| a) Secured, Considered Good : | - | - |
| b) Unsecured, Considered Good : | - | - |
| c) Doubtful | - | - |
| Others | 61,651,665.01 | 71,459,000.00 |
| Total | 61,651,665.01 | 71,459,000.00 |

Note : 21 Other Current Assets

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------|-------------------|-------------------|
| TDS Receivable | 297,436.99 | 26,088.00 |
| CENVAT Credit | 364,989.00 | 80,340.00 |
| Total | 662,425.99 | 106,428.00 |

Note : 22 Revenue from Operations

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---|----------------------|----------------------|
| Income from Software & Hardware Products and Services | 15,258,115.00 | 12,826,247.00 |
| Total | 15,258,115.00 | 12,826,247.00 |

Note : 23 Other Income

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-----------------|-------------------|------------------|
| Interest Income | 325,216.00 | 58,630.00 |
| Other Income | - | 7,741.48 |
| Total | 325,216.00 | 66,371.48 |

Note : 24 Cost of Material Consumed

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-----------------|----------------------|----------------------|
| Purchases | 9,472,115.00 | 10,099,222.00 |
| Direct Expenses | 3,406,019.00 | 861,755.00 |
| Total | 12,878,134.00 | 10,960,977.00 |

Note : 25 Change in Inventories

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------------|------------------|------------------|
| Closing Stock | - | - |
| Opening Stock | - | - |
| Total | - | - |

Note : 26 Employment Benefit Expenses

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--------------------------|-------------------|-------------------|
| Remuneration to Director | 240,000.00 | 86,700.00 |
| Salary & Wages | 688,657.00 | 615,500.00 |
| Staff Welfare Expenses | 41,220.00 | 45,632.00 |
| Total | 969,877.00 | 747,832.00 |

Note : 27 Operating and Other Expenses

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-----------------------------|---------------------|-------------------|
| Accounting Charges | 120,000.00 | 84,000.00 |
| Business Promotion Expenses | 43,338.00 | 35,258.00 |
| Legal & Professional | 86,965.00 | 20,856.00 |
| Printing & Stationary | 24,207.00 | 11,255.00 |
| Dematerialisation Charges | - | 145,065.35 |
| Custodian fees | 82,021.00 | 137,186.00 |
| Office Expenses | 16,789.00 | 25,333.00 |
| Telephone Expenses | 22,633.00 | 19,256.00 |
| Conveyance Expenses | 30,338.00 | 18,550.00 |
| Misc. Expenses | 57,435.00 | 47,581.00 |
| Preliminary Expenses W/O | 474,000.00 | 218,936.00 |
| Filing Fees | 5,112.00 | 56,798.00 |
| Web Charges | 6,020.00 | 16,200.00 |
| Tour & Travelling Expenses | 33,800.00 | 63,907.00 |
| Market Making Expenses | - | 38,676.00 |
| Advertesing Exps | 20,956.00 | - |
| Interest on Income Tax | 12,905.00 | - |
| Interest on Service Tax | 1,448.00 | - |
| Storage Charges | 20,751.87 | - |
| Payment to Auditors: | | |
| Audit Fees | 10,000.00 | 5,000.00 |
| Company Law Matters Fee | - | - |
| Service Tax Fee | - | - |
| Total | 1,068,718.87 | 943,857.35 |

Note :28 Financial Cost

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--------------|------------------|------------------|
| Bank Charges | 1,146.12 | 12,340.20 |
| Total | 1,146.12 | 12,340.20 |

Note : 29 Depreciation & Amortised Cost

| Particulars | As at 31.03.2015 | As at 31.03.2014 |
|--------------|------------------|------------------|
| Depreciation | 36,716.06 | 26,120.67 |
| Total | 36,716.06 | 26,120.67 |

GRACIOUS SOFTWARE LIMITED

CIN: U72300DL2007PLC168989

H.No. 4346 G-6 Ground Floor Gali No. 4C Ansari Road, Darya Ganj Delhi-110002

Cash Flow Statement For the Year Ending 31-Mar-2015

(Amount in Rs.)

| Particulars | As at 31.03.15 | As at 31.03.14 |
|--|--------------------|----------------------|
| <u>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</u> | | |
| 1. Net profit before tax | 628,739 | 201,491 |
| 2. Adjustment for: | | |
| <u>Add:</u> Depreciation & Amortisation Expenses | 36,716 | 26,121 |
| <u>Add:</u> Preliminary Expenses | 474,000 | 218,936 |
| <u>Less:</u> Interest Received | (325,216) | (58,630) |
| Operating Profit before Working capital changes | 814,239 | 387,918 |
| 3. Working Capital Changes: | | |
| Decrease (Increase) in Trade & Other Receivables | (3,484,337) | (6,902,589.00) |
| Decrease (Increase) in Other Current Assets | (555,998) | (106,428.00) |
| Increase (Decrease) in Trade & Other Payables | 5,115,463 | 1,036,880 |
| Increase (Decrease) in Long Term Liabilities | (8,700,000) | - |
| Increase (Decrease) in Other Current Liabilities | 546,135 | 297,996 |
| Net Changes in Working Capital | (7,078,737) | (5,674,141) |
| Cash Generated from Operations | (6,264,498) | (5,286,223) |
| Adjustment of Taxes | 81,876 | 40,683 |
| Net Cash Flow from Operating Activities (A) | (6,346,374) | (5,326,906) |
| <u>(B.) CASH FLOW FROM INVESTING ACTIVITIES :</u> | | |
| Purchase of Fixed Assets | - | (19,350.00) |
| (Increase) Decrease in Long Term Loans & Advances | 6,260,805 | (38,167,155.00) |
| (Increase) Decrease in Short Terms Loans & Advances | 9,807,335 | (62,137,000) |
| Interest Received | 325,216 | 58,630 |
| Decrease (Increase) in Non Current Investments | - | (5,100,000) |
| Net Cash Flow from Investing Activities (B) | 16,393,356 | (105,364,875) |
| <u>(C.) CASH FLOW FROM FINANCING ACTIVITIES :</u> | | |
| Issue of share capital and Proceeds from Share Application Money | - | 84,400,000 |
| Increase in Short Terms Borrowings | (7,987,500) | 7,487,500 |
| Increase in Long Terms Borrowings | - | 20,800,000 |
| Preliminary Expenses incurred | (601,160) | (1,221,630) |

| | | |
|---|-------------|-------------|
| Net Cash Flow from Financing Activities (C) | (8,588,660) | 111,465,870 |
| Net Increase / (Decrease) in Cash & Cash Equivalents (A- B+C) | 1,458,322 | 774,089 |
| Cash and cash equivalents at the beginning of the year / Period | 978,694 | 204,605 |
| Cash and cash equivalents at the end of the year/ Period | 2,437,016 | 978,694 |
| * Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) – 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India. | | |

As per our report of even date attached.
For Haresh Mishra & Associates
Chartered Accountants

FOR GRACIOUS SOFTWARE LIMITED

Sd/-
CA. Haresh Kumar Mishra
Proprieter
Membership No. : 518661
FRN: 024716N

Date: 29.05.2015
Place : New Delhi

Sd/-
MAHESH CHAND
(DIRECTOR)
DIN: 06463812
Village- Tilapta
Karanvas, Grater Noida
Gautam Budh Nagar,
U.P.- 201310.

Sd/-
MAHENDRA SINGH
(DIRECTOR)
DIN: 06437665
B-21 - PARDHAN
Enclave, Parshuram
Enclave, Vill-Burari
DELHI - 110084.

GRACIOUS SOFTWARE LIMITED

CIN: U72300DL2007PLC168989

H.No. 4346 G-6 Ground Floor Gali No. 4C Ansari Road, Darya Ganj Delhi-110002

Notes Forming Part of the Balance Sheet**Note : 30 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS*****A- SIGNIFICANT ACCOUNTING POLICIES*****1 Basis of Accounting**

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards as notified under Rule 7 of the Companies (Accounts) Rules, 2014 which is similar to provisions and presentational requirements of the Companies Act, 2013.

2 Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

3 Recognition of Income

Sales represents invoiced Value of goods Sold. Other Income is recognised and accounted for on accrual basis unless otherwise stated.

4 Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

5 Taxes on Income

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA/ DTL) are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realised.

6 Contingent Liability

The contingent liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts, if it becomes probable that there will be outflow of resources for settling the obligation.

7 Events occurring after the balance sheet date

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

8 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/ period.

9 Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

10 Depreciation

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

B- NOTES TO THE ACCOUNTS

- 1) The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- 2) All the investments made by the company are valued at Cost .
- 3) Managerial Remuneration: 240,000.00
- 4) Company does not have any inventory.
- 5) Deffered tax arising on account of timing difference and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deffered tax assests are recognised unless there is virtual certainty with respect to the reversal of the same in future years.
- 6) All schedules annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

- 7) Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.
- 8) Value of Import on CIF Basis Nil
- 9) Earnings in Foreign Exchange (FOB Value) Nil
- 10) Expenditure in Foreign Currency Nil

11) Earning Per Share:

| Particulars | As at 31.03.2015 |
|--|------------------|
| Net profit after tax available for Equity Shareholders (Rs.) (A) | 418,129.85 |
| Weighted Avg.Number Equity Shares outstanding (Nos.) (B) | 12,500,000 |
| Dilutive potential Equity Shares (Nos.) | - |
| Dilutive shares outstanding (Nos.) (C) | 12,500,000 |
| Nominal value per Equity Shares (Rs./ Share) | 10 |
| Basic Earnings per share (Rs./ Share) (A) / (B) | 0.033 |
| Diluted Earnings per share (Rs./ Share) (A) / (C) | 0.033 |

As per our report of even date attached.

For Haresh Mishra & Associates
Chartered Accountants

Sd/
CA. Haresh Kumar Mishra
Proprieter
M No. : 518661
FRN: 024716N

Date: 29.05. 2015
Place : New Delhi

FOR GRACIOUS SOFTWARE LIMITED

| | |
|---|---|
| Sd/ MAHESH CHAND (DIRECTOR) DIN: 06463812 VILLAGE- TILAPTA KARANVAS,GRATER NOIDA GAUTAM BUDH NAGAR U.P.- 201310. | Sd/ MAHENDRA SINGH (DIRECTOR) DIN: 06437665 B-21 - PARDHAN ENCLAVE,PARSHURAM ENCLAVE,VILL-BURARI DELHI - 110084. |
|---|---|

GRACIOUS SOFTWARE LIMITED

Regd. Office: G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road,
Darya Ganj, New Delhi – 110002; CIN: L72300DL2007PLC168989, Email id: gracious_software@yahoo.com ,
Website: www.gracsoft.com; Contact No: 011-32931123

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | | |
|-----------------------|---------------------|-------|
| Name of the Member(s) | | |
| Registered Address | | |
| E-mail Id | Folio No /Client ID | DP ID |

| | |
|----------------------------|------------|
| Name : | E-mail Id: |
| Address: | |
| Signature , or failing him | |

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 08th Annual General Meeting of the company, to be held on Tuesday, 15th day of September, 2015 at 9:15 A.M.at G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Daryaganj, New Delhi – 110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No. | Resolution(S) | Vote | |
|---------|--|------|---------|
| | | For | Against |
| 1. | Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2015 | | |
| 2. | To appoint a director in place of Mr. Mahendra Singh (DIN: 06437665), who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3. | Re-appointment of of M/s. HARESH MISHRA & ASSOCIATES, Chartered Accountants (FRN 024716N)as Statutory Auditors & fixing their remuneration | | |
| 4. | To appoint Ms. Asha Rani (DIN: 06842453) as an Independent Director. | | |

* Applicable for investors holding shares in Electronic form.

Signed this ____day of ____20__

Signature of Shareholder
across Revenue Stamp

Signature of Proxy holder

Signature of the shareholder

Affix Revenue
Stamps

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

GRACIOUS SOFTWARE LIMITED

Regd. Office: G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road,
Darya Ganj, New Delhi – 110002; CIN: L72300DL2007PLC168989, Email id: gracious_software@yahoo.com ,
Website: www.gracsoft.com; Contact No: 011-32931123

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

08th Annual General Meeting on Tuesday, 15th day of September, 2015 at 9:15 A.M. at G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Daryaganj, New Delhi – 110002

Full name of the members attending _____

(In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held:

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 08th Annual General Meeting on Tuesday, 15th day of September, 2015 at 9:15 A.M. at G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Daryaganj, New Delhi – 110002

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 3) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.