



GRACIOUS SOFTWARE LIMITED

*Seventh Annual Report
For The Financial Year 2013-2014*

Company Information

BOARD OF DIRECTORS:

Mr. AJAY BANSAL	Executive Director (Whole-time Director)
Mr. MAHENDRA SINGH	Non Independent Director (Non-executive Director)
Mr. ARUN KUMAR GUPTA	Independent Director (Non-executive Director)
Mr. MAHESH CHAND	Independent Director (Non-executive Director)

STATUTORY AUDITORS:

M/s. HARESH MISHRA & ASSOCIATES

Chartered Accountants
95 – B, Mayur Vihar,
Phase – II, New Delhi - 110091
FRN NO: 024716N

COMPLIANCE OFFICER:

Mr. AJAY BANSAL, Whole Time 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)

U72300DL2007PLC168989

REGISTERED OFFICE:

G-6, Ground Floor, House No. 4346
Gali No. 4C, Ansari Road,
Darya Ganj, New Delhi – 110002
Website: www.gracsoft.com;
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: info@massserv.com
Website: www.massserv.com

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GRACIOUS SOFTWARE LIMITED

Regd. Office: G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road,
Darya Ganj, New Delhi – 110002

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Seventh Annual General Meeting of the Shareholders of GRACIOUS SOFTWARE LIMITED will be held on Thursday, 18th September, 2014 at 9:30 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 2014, the statement 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, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint **M/s. HARESH MISHRA & ASSOCIATES**, Chartered Accountants (FRN 024716N) as the statutory auditors of the Company and fix their remuneration.

"RESOLVED THAT M/s. HARESH MISHRA & ASSOCIATES (Firm Registration Number 024716N) with the Institute of Chartered Accountants of India) be and is hereby re-appointed as Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be decided by Audit committee / Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Ajay Bansal (DIN 06732641) who was appointed as an Additional Director on the board of the company with effect from 21st November, 2013 and who ceases to hold the office at this Annual General Meeting and in respect of whom a notice under section 160 of the Companies Act, 2013 has been received from a member along with requisite deposit proposing his candidature for the office of a Director on the Board of the Company, be and is hereby appointed as a director on the Board."

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

Appointment of Mr. Ajay Bansal as Whole Time Director

"RESOLVED THAT pursuant to the provisions of Section 197 and 203 and other provision if applicable read with Schedule V of the Companies Act, 2013, the appointment of Mr. Ajay Bansal as Whole time Director of the Company w.e.f 21.11.2013 for a period of five (05) Years on the remuneration and terms and conditions as given below, be and is hereby approved, confirmed and ratified:-

A. Remuneration

Rs. 20,000/- p.m (Rupees Twenty Thousand Only) with such annual increments/increase as may be decided by the Board of Directors from time to time.

Perquisites - Free use of the Company's car for Company's work along with driver. Telephone, Telefax and other communication facilities at Company's cost for official purpose. Subject to any statutory ceilings, the appointee may be given any other allowances, perquisites, benefits and facilities as the Remuneration Committee/Board of Directors from time to time may decide.

B. Valuation of perquisites

Perquisites/allowances shall be valued as per the Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

C . Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013 from time to time.

D. Other Terms

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors as it may, in its discretion, deem fit within the maximum amount payable to the appointee in accordance with the provisions of the said Act or any amendments made therein or with the provisions of the said Act or any amendments made therein or with the approval of the Central government, if required.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to do all such acts and deeds, matters or things as may be deemed necessary, appropriate, expedient or desirable to give effect to above resolution or otherwise considered by it in the best interest of the Company."

6. APPOINTMENT OF Mr. ARUN KUMAR GUPTA AS AN INDEPENDENT DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 and Clause 42 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arun Kumar Gupta, Director (DIN: 06447121) of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013, signifying his intention to propose Mr. Arun Kumar Gupta as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 18th September 2014.

7. APPOINTMENT OF Mr. MAHESH CHAND AS AN INDEPENDENT DIRECTOR

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 and Clause 42 of the Listing Agreement (including any

statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mahesh Chand, Director (DIN : 06463812) of the Company who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act 2013, signifying his intention to propose Mr. Mahesh Chand as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 18th September 2014.

Date: 21st August, 2014
Place: New Delhi

By Order of the Board
For Gracious Software Limited
Sd-
Ajay Bansal
Director
DIN: 06732641

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. Proxy Form in order to be effective must be received at the Registered Office of the Company not less than 48 Hours before the Commencement Of the meeting. The blank copy proxy form is enclosed herewith.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect to special businesses is annexed hereto.
3. The share transfer books and Members Register of the Company will remain closed from 10th September, 2014 to 12th September, 2014 (both days inclusive).
4. Any member of the company on demand shall be entitled to be furnished free of cost, a copy of the Balance sheet of the company and of every document required by the law to be annexed thereto including the Profit and loss account and the director's report. Copies of these documents will also be kept open for 21 days before the date of the meeting.
5. Members are requested to bring their copies of Annual Report along with them, as copies of the report will not be distributed at the meeting.
6. Members/proxies are requested to bring their attendance slips sent herewith duly filled in for attending the meeting.
7. Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.
8. Members are requested to notify any change in their addresses, at its Registered Office to the Company's Registrar and Share Transfer Agents.
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: 21st August, 2014

Place: New Delhi

**By Order of the Board
For Gracious Software Limited
Sd-
Ajay Bansal
Director
DIN: 06732641**

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

ITEM NO. 4 & 5

Mr. Ajay Bansal was appointed as an additional Director of the company with effect from 21st November, 2013, he holds office until the date of the Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ajay Bansal for the office of the Director under the provisions of Section 160 of the Companies Act, 2013.

Mr. Ajay Bansal having experience of 7 year in the field of Software Development. He looks after the overall planning & management of our Company. He assesses the principal risks of the Company and ensures that these risks are being monitored and managed. He has been on the Board of our Company since 21st November, 2013.

Mr. Ajay Bansal was appointed as Whole time Director with effect from 21st November, 2013, subject to the approval of Members at the ensuing Annual General Meeting and subject to the approval of the Central Government, if any, for a period of five(05) years.

The Board recommends these resolutions for your approval.

Mr. Ajay Bansal is interested in these resolutions to the extent of his appointment. None of the remaining Directors and their relatives is concerned or interested in the proposed resolutions.

ITEM NO. 6

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. They may be appointed for a maximum of two consecutive terms of upto 5 years each. Mr. Arun Kumar Gupta is the Independent Directors of the Company. As per their existing terms of appointment, he is liable to retire by rotation. However, under the new act and the Listing Agreement, they may be appointed afresh with a fixed period of upto 5 years.

Mr. Arun Kumar Gupta is the independent director of the company and has been holding the office of Directorship. As per existing terms of appointment, the period of their office is liable to determination by retirement by rotation in terms of section 152 of the Act. 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 him for appointment as Independent Director of the Company. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declarations from him that he 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 him in terms of Section 149 and Schedule IV to the Companies Act, 2013 and the Listing Agreement and was of the view that he 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 Director. he possess requisite qualifications, appropriate skills, experience and knowledge in one or more fields of finance, law management, marketing, administration, technical operations and other disciplines related to Company business, positive attributes, already being on the Board of the Company and benefits that the Company will derive with their appointment, the Board has recommended his appointment as Independent Directors of the Company to hold office for a term of five consecutive years commencing from the date of 4th Annual General Meeting of the Company.

ITEM NO. 7

Pursuant to Section 149 of the Companies Act, 2013 (new act) read with the Rules made there under, the Independent Directors shall hold office for a period of upto 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of upto 5 years each. Mr. Mahesh Chand is the Independent Directors of the Company. As per their existing terms of appointment, he is liable to retire by rotation. However, under the new act and the Listing Agreement, they may be appointed afresh with a fixed period of upto 5 years.

Mr. Mahesh Chand is the independent director of the company and has been holding the office of Directorship. As per existing terms of appointment, the period of their office is liable to determination by retirement by rotation in terms of section 152 of the Act. 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 him for appointment as Independent Director of the Company. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declarations from him that he 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 him in terms of Section 149 and Schedule IV to the Companies Act, 2013 and the Listing Agreement and was of the view that he 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 Director. he possess requisite qualifications, appropriate skills, experience and knowledge in one or more fields of finance, law management, marketing, administration, technical operations and other disciplines related to Company business, positive attributes, already being on the Board of the Company and benefits that the Company will derive with their appointment, the Board has recommended his appointment as Independent Directors of the Company to hold office for a term of five consecutive years commencing from the date of 4th Annual General Meeting of the Company.

Date: 21st August, 2014

Place: New Delhi

**By Order of the Board
For Gracious Software Limited**

**Sd-
Ajay Bansal
Director
DIN: 06732641**

DIRECTOR'S REPORT

Your Directors have great pleasure in presenting the 7th Annual Report together with the Audited Accounts of the Company for the year ended at 31st March, 2014.

FINANCIAL RESULTS

The summarized performance of the Company for the years 2013-14 and 2012-13 is given below:
(Rupees in Lacs)

Particulars	For Financial Year Ended	
	31st March, 2014	31st March, 2013
Total Income	12,892,618.48	5,580,170.00
Total Expenditure	12,691,127.22	5,437,471.07
Profit before Tax	201,491.26	142,698.93
Less: Tax Expense	(65,373.90)	(44,094)
Profit / (Loss) After Tax	136,117.36	98,604.93

DIRECTORS

Mr. Ajay Bansal who was appointed as Additional Director on the board of the company with effect from 21st November, 2013 and who ceases to hold the office at this Annual General Meeting and in respect of whom a notice under section 160 of the Companies Act, 2013 has been received from a member along with requisite deposit proposing his candidature for the office of a Director on the Board of the Company, be and is hereby appointed as a director on the Board, liable to retire by rotation.

The Board recommends their appointment for your approval.

INDEPENDENT DIRECTOR

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. They may be appointed for a maximum of two consecutive terms of upto 5 years each. In terms of Presently, Mr. Arun Kumar Gupta and Mr. Mahesh Chand are the Independent Directors of the Company. As per their existing terms of appointment, all of them are liable to retire by rotation. However, under the new act and the Listing Agreement, they may be appointed afresh with a fixed period of upto 5 years.

The Board considered the independence of each of the above mentioned Directors in terms of Section 149 and Schedule IV to the Companies Act, 2013 and the Listing Agreement and was of the view that the proposed directors fulfill 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. All the proposed Directors possess requisite qualifications, appropriate skills, experience and knowledge in one or more fields of finance, law management, marketing, administration, technical operations and other disciplines related to Company's business, positive attributes, already being on

the Board of the Company and benefits that the Company will derive with their appointment, the Board has recommended their appointment as Independent Directors of the Company to hold office for a term of five consecutive years commencing from the date of Annual General Meeting of the Company.

DIVIDEND

In consideration of future prospects of the Company, Your Board of Directors has decided to plough back the profits into the business operations of the Company.

PUBLIC DEPOSIT

The Company has not accepted any deposits during the year under review.

AUDITORS

The Statutory Auditors **M/s. HARESH MISHRA & ASSOCIATES**, Chartered Accountants, holds office until the conclusion of the ensuing Annual General Meeting.

The Company has received undertaking from them to the effect that their appointment, if made, would be in accordance with the Act and that they are not disqualified for such re-appointment.

A Board of directors of the company has recommended their appointment in the ensuing Annual General Meeting.

ISSUE OF EQUITY SHARES

During the year under review, the Company has issued and allotted 2566000, 1285000, 1401750, 1321500, 893000 and 972750 equity shares of Rs. 10/- each on 09.12.2013, 11.12.2013, 13.12.2013, 16.12.2013, 18.12.2013 and 20.12.2013, respectively and accordingly, the Equity Paid up Share capital stand increased to Rs. 125,000,000/- (Rupees Twelve Crore Fifty Lacs only) consisting 12,500,000 equity shares of Rs. 10/- each.

AUDITOR'S REPORT

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 217 of the Companies Act, 1956.

INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

CONVERSION OF THE COMPANY FROM "PRIVATE LIMITED" TO "PUBLIC LIMITED"

During the year 2013-2014, The Company was converted in to a Public Limited Company and Consequently the name was changed from "Gracious Software Private Limited" to "Gracious Software Limited" vide fresh certificate of incorporation dated 19th November, 2013, issued by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

CHANGE IN REGISTERED OFFICE

During the year the company changed its registered office from 106, Dua Business Centre, Main Vikash Marg, Shakarpur, Delhi – 110092 to G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Daryaganj, New Delhi – 110002

LISTING OF SHARES OF THE COMPANY

During the year under review, the equity shares of the Company got listed on the ITP platform of BSE Limited.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

CONSOLIDATED FINANCIAL STATEMENTS

Since there is no subsidiary of the Company at present, hence no consolidated financial statements have been prepared.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted or renewed any fixed deposits from the public.

DIRECTORS RESPONSIBILITY STATEMENT

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

- 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 have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the Profit or Loss of the company for the year under the review.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.

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

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. Therefore, the information relating to conservation of energy or technology absorption etc. is not given. There has been no foreign exchange earnings and outgo during the year under Report.

PARTICULARS OF EMPLOYEES

The provisions of section 217(2A) of the Companies Act, 1956 are not applicable as no Employee was in receipt of remuneration to the extent laid down therein.

PERSONNEL

The Management-Employees relations remained very cordial throughout the year. Your Directors wish to place on record their appreciation of sincere and devoted services rendered by all the workers and staff at all levels.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

ACKNOWLEDGEMENTS

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous co-operation and assistance.

Date: 21st August, 2014
Place: New Delhi

By Order of the Board
For Gracious Software Limited
Sd-
Ajay Bansal
Director
DIN: 06732641

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, 2014 are given hereunder:

Name	Category	Attendance of Director at Board Meeting	Attendance of Director at Last AGM	Number of Membership Committee in other Limited Company	Number of Chairmanship/Directorship Committee in other Limited Company
AJAY BANSAL	Whole Time Director, Executive Director	16	N.A	Nil	2
ARUN KUMAR GUPTA	Non-Executive Independent Director	17	N.A	Nil	2
MAHENDRA SINGH	Non-Executive Non Independent Director	15	N.A	Nil	3
MAHESH CHAND	Non-Executive Independent Director	14	N.A	Nil	4

2 (A) BOARD MEETINGS

During the year under review, Nineteen [19] Board Meetings were held on the following dates: 21.05.2013, 02.09.2013, 16.09.2013, 18.10.2013, 28.10.2013, 29.10.2013, 30.10.2013, 21.11.2013, 09.12.2013, 11.12.2013, 13.12.2013, 16.12.2013, 18.12.2013, 20.12.2013, 21.12.2013, 23.12.2013, 10.02.2014, 17.02.2014 and 30.03.2014

3. COMMITTEE OF THE BOARD

3(A) Audit Committee

The Board has constituted the Audit Committee, and the Shareholders'/Investors' Grievance Committee. The Board 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. The Chairman of the Committee was Mr. Arun Kumar Gupta.

During the year under review, the committee constituted on 23.12.2013 consist three Directors out of which two were Non - Executive Director of the Company. The Chairman of the Committee was Mr. Arun Kumar Gupta and two other members were Mr. Mahendra Singh and Mr. Mahesh Chand.

The committee met One (01) time during the financial year ended March 31st 2014.

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

Name	Position in Committee	No of Meeting held	Attended
ARUN KUMAR GUPTA	Chairman	1	Yes
MAHENDRA SINGH	Member	1	Yes
MAHESH CHAND	Member	1	Yes

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

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) Shareholders/ Investors' Grievance Committee

Our Company has constituted a shareholder / investors grievance committee ("Shareholders / Investors Grievance Committee") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 23rd December, 2013. The committee currently comprises of three (3) Directors. Mr. MAHESH CHAND is the Chairman of the Shareholders/ Investors Grievance committee.

The committee met One (01) time during the financial year ended March 31st 2014.

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

Name	Position in Committee	No of Meeting held	Attended
MAHENDRA SINGH	Chairman	1	Yes
MAHESH CHAND	Member	1	Yes
ARUN KUMAR GUPTA	Member	1	Yes

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 Shareholders/Investors Grievance Committee

The Shareholders / Investors Grievance 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 2013-14. There is no complaint pending.

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.

Compliance Officer

Ms. Neela Beniwal, Company secretary of the company has resigned from the post w.e.f 2nd June, 2014. Mr. Ajay Bansal is the Compliance Officer of the Company. He can be contacted for any investors' related matter relating to the Company.

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
2012-2013	106 Dua Business Centre, Main Vikash Marg, Shakarpur, Delhi – 110092	Monday, 30 th September, 2013 at 12:30 P.M
2011-2012	106 Dua Business Centre, Main Vikash Marg, Shakarpur, Delhi – 110092	Saturday 29 th September, 2012 at 10:30 A.M.
2010-2011	106 Dua Business Centre, Main Vikash Marg, Shakarpur, Delhi – 110092	Friday, 30 th September, 2013 at 10:30 A.M

2. Extra Ordinary General Meetings

During the year under review Nine (9) Extra-ordinary General Meeting was held on 15.10.2013, 29.10.2013, 25.11.2013, 30.11.2013, 05.12.2013, 13.12.2013, 16.12.2013, 18.12.2013 and 19.12.2013

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) Whistle Blower Policies

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company does not have any formal Whistle Blower Policy. The Directors of the Company affirms that no personnel have been denied access to the Audit Committee.

6(4) 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(5) 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	18 th September, 2014
Venue	G-6 Ground Floor, House No. 4346 Gali No. 4C, Ansari Road, Darya Ganj New Delhi-110002
Time	9.30 A.M
Financial Calendar	
Financial Year	1st April, 2013- 31st March, 2014
Date of Book Closure	10 th September,2014 To 12 th September,2014

9. MARKET PRICE DATA

The equity shares are listed on the BSE Limited, the market price of the Company's' Equity shares from the date of Listing to 31st March, 2014 are As follows:

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

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	Spread	
									H-L	CO
Feb 2014	15.00	15.00	15.00	15.00	70000	1	10.50		0.00	0.00
Mar 2014	18.00	18.00	18.00	18.00	56000	1	10.08		0.00	0.00
Mar 2014	21.00	21.00	21.00	21.00	48000	1	10.08		0.00	0.00
Mar 2014	18.00	24.00	18.00	24.00	242000	3	46.08		6.00	6.00
Mar 2014	24.00	28.00	24.00	28.00	246000	6	60.48		4.00	4.00
Mar 2014	33.00	33.00	33.00	33.00	38000	1	12.54		0.00	0.00
Mar 2014	46.00	46.00	46.00	46.00	22000	1	10.12		0.00	0.00
Mar 2014	55.00	55.00	55.00	55.00	19000	1	10.45		0.00	0.00
Mar 2014	66.00	66.00	66.00	66.00	19000	1	12.54		0.00	0.00
Mar 2014	68.00	76.00	68.00	76.00	138000	4	96.88		8.00	8.00
Mar 2014	90.00	90.00	90.00	90.00	100000	2	90.00		0.00	0.00
Mar 2014	105.00	105.00	105.00	105.00	100000	4	105.00		0.00	0.00
Mar 2014	120.00	120.00	120.00	120.00	40000	2	48.00		0.00	0.00

10. LISTING AT STOCK EXCHANGE

BSE LIMITED
27th 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 strictures imposed by any stock Exchange, SEBI or any matter relating to that.

11. CATEGORIES OF SHAREHOLDING AS AT 31.03.2014

Promoter	Number of Shares	Percentage (%)
Individual	5200	0.04
Body Corporate	3135000	25.08
Total	3140200	25.12
Public	Number of Shares	Percentage (%)
Individual	8625800	69.01
Body Corporate	734000	5.87
Hindu Undivided Family	Nil	Nil
Clearing Members / House	Nil	Nil
Total	9359800	74.88
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	57	19.52	2232500	1.79
5,001	10,000	68	23.28	6299500	5.04
10,001	20,000	78	26.72	12780500	10.22
20,001	30,000	22	7.53	5402500	4.32
30,001	40,000	13	4.45	4650000	3.72
40,001	50,000	24	8.23	11550000	9.24
50,001	1,00,000	16	5.48	14960000	11.97
1,00,001 and above		14	4.79	67125000	53.7
TOTAL		292	100.00	125000000	100.00

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. Ajay Bansal,
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)

DECLARATION

As provided under Clause 49 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: 21st August, 2014
Place: New Delhi**

**By Order of the Board
For Gracious Software Limited
Sd-
Ajay Bansal
Director
DIN: 06732641**

PROFILE OF DIRECTORS

DETAILS OF DIRECTORS:

1. Mr. Ajay Bansal, aged 41 years, is a Whole time Director of our Company. He has done his bachelor in commerce. He has more than 18 years of experience in leadership positions in the finance domain. He is responsible for overall planning & management of our Company. He assess the principal risks of the Company and ensures that these risks are being monitored and managed. He is the director in the following companies:
 - a. Juris Financial Services Private Limited
2. 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:
 - a. Gold Line International Finvest Limited
3. Mr. Arun Kumar Gupta, aged 46 years, is an Independent Director of our Company. He is a commerce graduate and qualified chartered accountant. He has more than 23 years of experience in the field of accounts & IT sector. He is responsible for the successful creation and delivery of the company's product to the marketplace by managing technical risks and opportunities.
 - a. Gold line international Finvest limited
4. Mr. Mahesh Chand, aged 42 years, is a 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. He is the director in the following companies:
 - a. Citizen Compset Pvt. ltd
 - B. Gracious Software limited
 - C. Gold line international Finvest limited
 - D. Hsk Estates and Properties Private Limited

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: 21st August, 2014

Place: New Delhi

**By Order of the Board
For Gracious Software Limited**

Sd-

Ajay Bansal

Director

DIN: 06732641

CEO / CFO CERTIFICATE

I, Ajay Bansal, Director certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 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: 21st August, 2014

Place: New Delhi

**By Order of the Board
For Gracious Software Limited
Sd-
Ajay Bansal
Director
DIN: 06732641**

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. 12,826,247.00 and current year Profit is Rs. 1,36,117.36

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.



AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

**TO,
THE MEMBERS
GRACIOUS SOFTWARE LIMITED**

We have examined the compliance of the conditions of Corporate Governance procedures implemented by GRACIOUS SOFTWARE LIMITED for the year ended on March 31, 2014, as stipulated in Clause 42 of the Listing Agreement entered into with the BSE Limited.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and 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.

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

**For Haresh Mishra & Associates
Chartered Accountants
Sd/-
CA. HARESH KUMAR MISHRA
PARTNER
Membership No.: 518661
FRN: 024716N
Place : New Delhi
Date: 21.08.2014**



Haresh Mishra & Associates
Chartered Accountants
95 – B, Mayur Vihar, Phase – II, New Delhi - 110091

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 **M/S. GRACIOUS SOFTWARE LIMITED** ("the Company). Which comprise the balance sheet as at 31st March 2014, 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

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting standard referred to in sub section(3G) of section 211 of companies Act 1956 ("the Act"). This responsibility includes the design, implementation and maintenances of internal control relevant to the preparation and presentation of 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 conducted our audit in accordance with the standards on auditing issued by the Institute of chartered accountant of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 statement whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Company's Preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management 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.

OPINION

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

- (a) In the case of balance sheet , the state of affairs of the company as at March31 , 2014,
- (b) the case of statement of profit and loss of the profit for the year ended on that date, and
- (c) In the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: New Delhi
Date: 29.05.2014

For HARESH MISHRA & ASSOCIATES
Chartered Accountants
Sd-
CA. HARESH KUMAR MISHRA
PROPRIETOR
Membership No.: 518661
FRN: 024716N

GRACIOUS SOFTWARE LIMITED
(ANNEXURE TO THE AUDITOR'S REPORT)

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

(b) According to the information and explanations given to us, the company has formulated a regular programme of verification by which all the assets of company shall be verified in a phased manner, which in my opinion, is reasonable having regard to the size of the company and nature of its assets. To the best of my knowledge, no material misstatement is noticed on verification conducted during the year as compared with the book records.

(c) There was no disposal during the year of fixed assets.
2. (a) The company does not have any inventories during the year, therefore clauses (b) and (c) are not applicable.
3. The company has not taken/granted any loans secured or unsecured from companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 in terms of subsection (6) of section 370 of the Companies Act, 1956. The provisions of section 370 are not applicable to a company on or after the commencement of the Companies (Amendment) Act, 1999.
4. In respect of loans & advances, the company in the nature of advances given by the company, the parties are generally repaying the principal amount as stipulated and have also been regular in paying of interest where applicable.
5. In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sales of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
6. Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there are no transactions that need to be entered into the registers maintained under section 301 of the Companies Act, 1956.
7. The company has not accepted any deposit from the public. Therefore the provisions of Section 58A, & 58AA of the Companies Act, 1956, and the Rules framed there under do not apply.
8. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
9. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the company.
10. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on management representations the Provident Funds Act and Employees State Insurance Act is not applicable to the company, undisputed statutory dues in respect of income tax and other material

statutory dues have generally been regularly deposited by the company during the year with the appropriate authorities in India.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth-tax, sales tax, customs and excise duty were outstanding , as at 31st March, 2014 for a period of more than six months from the date they become payable.

(c) According to the records of the company, there are no dues of sales tax, income tax, customs tax/ wealth tax, excise duty/ cess which have not been deposited on account of any dispute.

11. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures & other similar securities.
12. According to the information and explanation given to us the company has not given any guarantee for loan taken by other from banks or financial institutions.
13. According the information and explanation given to us and as shown by the records examined by us there were no dues payable to financial institutions or banks.
14. The company has not taken any term loan during the year.
15. In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund or society therefore the provision of clause 4 (xiii) of the companies (Auditor's report) Order 2003 are not applicable to the company.
16. Based on the information and explanation given to us and on an overall examination of the books of accounts as on 31.03.2014, we report that no funds raised on short term basis have used for long- term investments by the company and vice versa.
17. Based on the audit procedure performed and the information and explanation given to us by the management we report that the company has not made any preferential allotment of shares during the year.
18. The company has no outstanding debentures during the period under audit.
19. As per the information and explanation given to us and on the basis of examination of records, no material fraud on or by the company was noticed or reported during the year.

Place: New Delhi
Date: 29.05.2014

For HARESH MISHRA & ASSOCIATES
Chartered Accountants
Sd-
CA. HARESH KUMAR MISHRA
PROPRIETOR
Membership No.: 518661
FRN: 024716N

GRACIOUS SOFTWARE LIMITED
CIN: U72300DL2007PLC168989
Balance Sheet as at 31st March, 2014

Amount in Rs.

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	1	125,000,000.00	40,600,000.00
(b) Reserves and Surplus	2	228,722.29	92,604.93
(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	3,411.00
(c) Other Long term liabilities	5	53,960,000.00	33,160,000.00
(d) Long term provisions	6	-	-
<u>(4) Current Liabilities</u>			
(a) Short-term borrowings	7	7,987,500.00	500,000.00
(b) Trade payables	8	3,509,730.00	2,472,850.00
(c) Other current liabilities	9	383,416.00	85,420.00
(d) Short-term provisions	10	65,276.90	40,683.00
Total		191,138,153.19	76,954,968.93
II. Assets			
<u>(1) Non-current assets</u>			
<u>(a) Fixed assets</u>			
(i) Tangible assets	11	96,243.07	103,013.74
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	51,050,000.00	45,950,000.00
(c) Deferred tax assets (net)	13	-	-
(d) Long term loans and advances	14	57,717,155.00	19,550,000.00
(e) Other non-current assets	15	1,013,494.00	10,800.00
<u>(2) Current assets</u>			
(a) Current investments	16	-	-
(b) Inventories	17	-	-
(c) Trade receivables	18	8,717,139.00	1,814,550.00
(d) Cash and cash equivalents	19	978,694.12	204,605.19
(e) Short-term loans and advances	20	71,459,000.00	9,322,000.00
(f) Other current assets	21	106,428.00	-
Total		191,138,153.19	76,954,968.93

NOTES TO ACCOUNTS

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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 Accountant**

For GRACIOUS SOFTWARE LIMITED

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

**Sd-
AJAY BANSAL
DIRECTOR
DIN: 06732641**

**Sd-
MAHENDRA SINGH
DIRECTOR
DIN: 06437665**

**DATE : 29.05.2014
PLACE : NEW DELHI**

**NEELAM BENIWAL
COMPANY SECRETARY
ACS - 29494**

GRACIOUS SOFTWARE LIMITED

CIN: U72300DL2007PLC168989

Profit and Loss statement for the year ended 31st March, 2014*Amount in Rs.*

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
I. Revenue from operations	22	12,826,247.00	5,130,050.00
II. Other Income	23	66,371.48	450,120.00
III. Total Revenue (I +II)		12,892,618.48	5,580,170.00
<u>IV. Expenses:</u>			
Employee benefit expense	24	747,832.00	469,770.00
Operating and Other expenses	25	11,904,834.35	4,920,703.00
Financial costs	26	12,340.20	15,761.81
Depreciation and amortization expense	27	26,120.67	31,236.26
Total Expenses		12,691,127.22	5,437,471.07
V. Profit before exceptional and extraordinary items and tax.	(III - IV)	201,491.26	142,698.93
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		201,491.26	142,698.93
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		201,491.26	142,698.93
X. Tax expense:			
(1) Current tax		65,276.90	40,683.00
(2) Deferred tax		97.00	3,411.00
(3) Income tax Adjustment		-	-
(4) Deffered tax Adjustment		-	-

GRACIOUS SOFTWARE LIMITED

CIN: U72300DL2007PLC168989

Notes Forming Part of the Balance Sheet

Note : 1 Share Capital

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>AUTHORIZED CAPITAL</u>		
	1,25,00,000 (Previous Year: 50,00,000) Equity Shares of Rs. 10/- each.	125,000,000.00	50,000,000.00
2	<u>ISSUED</u>		
	1,25,00,000 (Previous Year: 40,60,000) Equity Shares of Rs. 10/- each.	125,000,000.00	40,600,000.00
3	<u>SUBSCRIBED & PAID UP CAPITAL</u>		
	1,25,00,000 (Previous Year: 40,60,000) Equity Shares of Rs. 10/- each.	125,000,000.00	40,600,000.00
	Total	125,000,000.00	40,600,000.00
	Notes 1 A		
	Reconciliation of Nos. Of Shares	2013-14	2012-13
	Number of Equity Shares at the beginning	4,060,000	4,060,000
	Add:- Number of Shares Issued	8,440,000	-
	Number of Equity Shares at the end	12,500,000	4,060,000
	Notes 1 B		
	Details of Share Holding More Than 5% as at 31st March.2013		
	Name	Class of Share	No. of Share Holding
1	Juris Financial Services Private Limited	Equity	3,135,000

Note : 2 Reserve & Surplus

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	-	-
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve (General Reserve)	-	-
8	Surplus (Profit & Loss Account)	-	-
	Op. Balance of Profits & Loss A/C	92,604.93	(6,000.00)

	Current Year Profit & Loss A/C	136,117.36	98,604.93
		<u>228,722.29</u>	<u>92,604.93</u>
	Total	228,722.29	92,604.93

Note : 3 Long Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Bonds / Debentures	-	-
2	Term Loan		
	- From Bank	-	-
	- From Other Parties	-	-
3	Deferred Payment Liabilities	-	-
4	Deposit	-	-
5	Loans & Advances From Related Parties	-	-
6	Long Term Maturities of Finance lease obligation	-	-
7	Loans From Directors	-	-
8	Other Loans	-	-
	Total	-	-

Note : 4 Deferred Tax Liabilities (Net)

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Deferred Tax Liability	3,508.00	3,411.00
	Total	3,508.00	3,411.00

Note : 5 Other Long Term Liabilities

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Others Payable	53,960,000.00	33,160,000.00
	Total	53,960,000.00	33,160,000.00

Note : 6 Long Term Provisions

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Provision from Employment Benefit	-	-
2	Other	-	-
	Total	-	-

Note : 7 Short Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>Loan Repayable on Demand</u>		
	- From Bank	-	-
	- From Other Parties	-	-
2	Loans & Advances From Related Parties	-	-
3	Deposits	-	-
4	Others	7,987,500.00	500,000.00
	Total	7,987,500.00	500,000.00

Note : 8 Trades Payable

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Trade Payables	3,509,730.00	2,472,850.00
	Total	3,509,730.00	2,472,850.00

Note : 9 Other Current Liabilities

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Audit Fees Payable	14,000.00	9,000.00
2	Expenses Payable	128,120.00	41,420.00
3	Salary Payable	57,022.00	35,000.00
4	Service Tax Payable	111,240.00	-
5	TDS Payable	73,034.00	
	Total	383,416.00	85,420.00

Note : 10 Short Term Provisions

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>Provision From Employees Benefit</u>	-	-
2	<u>Others</u>		
	Provision For Income Tax	65,276.90	40,683.00
	Total	65,276.90	40,683.00

Note : 12 Non Current Investment

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Investment in Property	-	-
2	Investment in Equity Instrument	51,050,000.00	45,950,000.00
3	Investment in Partnership Firm	-	-
4	Investment in Mutual Fund	-	-
5	Other Investment	-	-
	Total	51,050,000.00	45,950,000.00

Note : 13 Deferred Tax Assets (Net)

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
	Deferred Tax Assets	-	-
	Total	-	-

Note : 14 Long Term Loans and Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
I)	Capital Assets		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
II)	Security Deposit		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
III)	Loans & Advances to related parties	-	-
IV)	Other Loans & Advances		
	Others	57,717,155.00	19,550,000.00
	Total	57,717,155.00	19,550,000.00

Note : 15 Other Non Current Assets

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Long Term Trade Recievables		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	-	-	-
2	Others		
	Security Deposit	140,450.00	
	Preliminary Exp.	873,044.00	10,800.00
	Total	1,013,494.00	10,800.00

Note :16 Current Investment

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Investment in Equity	-	-
2	Investment in Preference Shares	-	-
3	Investment in Govt. Securities	-	-
4	Investment in debentures & Bonds	-	-
5	Investment in Mutual Fund	-	-
6	Investment in Partnership Firm	-	-
7	Others	-	-
	Total	-	-

Note : 17 Inventories

Sr. No	Particulars	As at 31.03.2014	31.03.2011
1	Raw Material	-	-
2	Work-in-Progress	-	-
3	Finished Goods	-	-
4	Stock-in-Trade	-	-
5	Stores & Spares	-	-
6	Loose Tools	-	-
7	Other (Specify the nature)	-	-
8	Goods-in-transit	-	-
	Total	-	-

Note : 18 Trade Receivables

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Outstanding for more than six months		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	-	-	-
2	Others		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	8,717,139.00	1,814,550.00
	-	-	-
	c) Doubtful	-	-
	-	-	-
	-	-	-
	Total	8,717,139.00	1,814,550.00

Note : 19 Cash & Cash Equivalent

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Cash and Bank Balance	978,694.12	204,605.19
2	Cheques on Hand	-	-
	Total	978,694.12	204,605.19

Note :20 Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Loans & Advances from related parties		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	Others	71,459,000.00	9,322,000.00
	Total	71,459,000.00	9,322,000.00

Note : 21 Other Current Assets

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	TDS Receivable	26,088.00	-
2	CENVAT Credit	80,340.00	-
	Total	106,428.00	-

Note : 22 Revenue from Operations

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Income from Software & Hardware Products and Services	12,826,247.00	5,130,050.00
	Total	12,826,247.00	5,130,050.00

Note : 23 Other Income

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Interest Income	58,630.00	-
2	Other Income	7,741.48	450,120.00
	Total	66,371.48	450,120.00

Note : 24 Employment Benefit Expenses

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Remuneration to Director	86,700.00	-
2	Salary & Wages	615,500.00	420,000.00
3	Staff Welfare Expenses	45,632.00	49,770.00
	Total	747,832.00	469,770.00

Note : 25 Operating and Other Expenses

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Cost of Purchased	10,099,222.00	3,696,320.00
2	Outsourced technical service expenses	795,865.00	867,500.00
3	Freight Expenses	65,890.00	45,560.00
4	Accounting Charges	84,000.00	84,000.00
5	Business Promotion Expenses	35,258.00	70,258.00
6	Legal & Professional	20,856.00	28,750.00
7	Printing & Stationary	11,255.00	15,647.00
8	Dematerialization Charges	145,065.35	-
9	Custodian fees	137,186.00	-
10	Office Expenses	25,333.00	24,550.00
11	Telephone Expenses	19,256.00	24,510.00
12	Conveyance Expenses	18,550.00	20,230.00
13	Misc. Expenses	47,581.00	35,678.00
14	Preliminary Expenses W/O	218,936.00	2,700.00
15	Filling Fees	56,798.00	-
16	Web Charges	16,200.00	-
17	Tour & Travelling Expenses	63,907.00	-
18	Market Making Expenses	38,676.00	-
16	Payment to Auditors:		
	Audit Fees	5,000.00	5,000.00
	Company Law Matters Fee	-	-
	Service Tax Fee	-	-
	Total	11,904,834.35	4,920,703.00

Note :26 Financial Cost

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Bank Charges	12,340.20	15,761.81
	Total	12,340.20	15,761.81

Note : 27 Depreciation & Amortized Cost

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Depreciation	26,120.67	31,236.26
	Total	26,120.67	31,236.26

Note : 28 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 the Companies (Accounting Standards) Rules, 2006 and as per the provisions and presentational requirements of the Companies Act, 1956.

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

Export Sales represents invoiced Value of goods Sold. Other Income is recognized 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 recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognized only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realized.

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 recognized prospectively in current and future periods.

B- NOTES TO THE ACCOUNTS

- 1) The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

- 2) Reconciliation of Nos. Of Shares

	2013-14	2012-13
Number of Equity Shares at the beginning	4,060,000	10,000
Add:- Number of Shares Issued	8,440,000	4,050,000
Number of Equity Shares at the end	12,500,000	4,060,000

- 3) Below are the name of the shareholders holding more than 5% of Shares of the company

Name	Class of Share	No. of Share Holding	Percentage of Holding
Juris Financial Services Private Limited	Equity	3135000	25.08%

- 4) All the investments made by the company are valued at Cost .

- 5) Managerial Remuneration: Nil

- 6) The inventories of the company are valued as per cost price and market price whichever is less.

- 7) Deferred tax arising on account of timing difference and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognized unless there is virtual certainty with respect to the reversal of the same in future years.

- 8) The revised Schedule VI as notified under the companies Act, 1956, has become applicable to the company for the presentation of its financial statements for the year ending March 31,2013. The adaptation of the revised Schedule VI requirements has significantly modified the presentation and disclosure which have been complied with in these financial statements Previous year figures have been reclassified in accordance with current year requirements.

- 9) All schedules annexed to and from integral part of the Balance Sheet and Profit & Loss Account.

- 10) Minimum Alternative Tax (MAT) is recognized 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.

- 11) Value of Import on CIF Basis Nil

- 12) Earnings in Foreign Exchange (FOB Value) Nil

- 13) Expenditure in Foreign Currency Nil

14) The Company has no employee to whom the provisions of section 217 (2A) of the Companies Act, 1956 are applicable.

15) *Earnings Per Share:*

Particulars	As at 31.03.2014
Net profit after tax available for Equity Shareholders (Rs.) (A)	136,117.36
Weighted Avg. Number Equity Shares outstanding (Nos.) (B)	3,409,123
Dilutive potential Equity Shares (Nos.)	0
Dilutive shares outstanding (Nos.) (C)	3,409,123
Nominal value per Equity Shares (Rs./ Share)	10
Basic Earnings per share (Rs./ Share) (A) / (B)	0.040
Diluted Earnings per share (Rs./ Share) (A) / (C)	0.040

As per our report of even date attached.

For Haresh Mishra & Associates
Chartered Accountant

For GRACIOUS SOFTWARE LIMITED

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

Sd-
AJAY BANSAL
DIRECTOR
DIN: 06732641

Sd-
MAHENDRA SINGH
DIRECTOR
DIN: 06437665

DATE : 29.05.2014
PLACE : NEW DELHI

Sd-
NEELAM BENIWAL
COMPANY SECRETARY
ACS - 29494

GRACIOUS SOFTWARE LIMITED

CIN: U72300DL2007PLC168989

Cash Flow Statement

For the Year Ending 31-Mar-2014	Amounts Rs.	Amounts Rs.
Particulars	31.03.14	31.03.13
<u>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</u>		
1. Net profit before tax	201,491	142,699
2. <u>Adjustment for:</u>		
<u>Add:</u> Depreciation & Amortisation Expenses	26,121	33,936
<u>Add:</u> Preliminary Expenses	218,936	
<u>Less:</u> Interest Received	(58,630)	-
Operating Profit before Working capital changes	387,918	176,635
<u>3. Working Capital Changes:</u>		
Decrease (Increase) in Trade & Other Receivables	(6,902,589)	(1,814,550.00)
Decrease (Increase) in Inventories	-	-
Decrease (Increase) in Other Current Assets	(106,428)	-
Increase (Decrease) in Trade & Other Payables	1,036,880	2,472,850
Increase (Decrease) in Current Liabilities & Provisions	-	-
Increase (Decrease) in Other Current Liabilities	297,996	81,420
Net Changes in Working Capital	(5,674,141)	739,720
<u>Cash Generated from Operations</u>	(5,286,223)	916,355
Adjustment of Taxes	40,683	-
Net Cash Flow from Operating Activities (A)	(5,326,906)	916,355
<u>(B.) CASH FLOW FROM INVESTING ACTIVITIES :</u>		
Purchase of Fixed Assets	(19,350)	(134,250.00)
(Increase) Decrease in Other Non Current Assets	-	-
(Increase) Decrease in Long Term Loans & Advances	(38,167,155)	(19,550,000.00)
(Increase) Decrease in Short Terms Loans & Advances	(62,137,000)	(9,322,000)
Interest Received		

	58,630	-
Decrease (Increase) in Current Investments	-	-
Decrease (Increase) in Non Current Investments	(5,100,000)	(5,450,000)
Net Cash Flow from Investing Activities (B)	(105,364,875)	(34,456,250)
<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	7,487,500	500,000
Increase in Long Terms Borrowings	20,800,000	33,160,000
Preliminary Expenses incurred	(1,221,630)	-
Net Cash Flow from Financing Activities (C)	111,465,870	33,660,000
Net Increase / (Decrease) in Cash & Cash Equivalents (A-B+C)	774,089	120,105
Cash and cash equivalents at the beginning of the year / Period	204,605	84,500
Cash and cash equivalents at the end of the year/ Period	978,694	204,605
* 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 Accountant

For GRACIOUS SOFTWARE LIMITED

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

Sd-
AJAY BANSAL
DIRECTOR
DIN: 06732641

Sd-
MAHENDRA SINGH
DIRECTOR
DIN: 06437665

DATE : 29.05.2014
PLACE : NEW DELHI

Sd-
NEELAM BENIWAL
COMPANY SECRETARY
ACS – 29494

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

GRACIOUS SOFTWARE LIMITED

Registered Office: G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Darya Ganj, New Delhi – 110002

CIN: U72300DL2007PLC168989

Name of the Member(s):	
Registered address:	
Folio No./Client Id::	DP ID:
E-mail Id:	

I/We, being the member(s) of..... Shares of the above named Company, hereby appoint:

Name :	Address :
E-mail Id :	Signature :
or failing him/her	
Name :	Address :
E-mail Id :	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company to be held on Thursday, September 18, 2014 at 9.30 a.m. at G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Darya Ganj, New Delhi – 110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
	Ordinary Business
1.	Adoption of Audited Financial Statements for the year ended March 31 st 2014
2.	Re-appointment of Mr. Mahendra Singh (DIN: 06437665), who retires by rotation
3.	Re-appointment of M/s HARESH MISHRA & ASSOCIATES, Chartered Accountant, as Auditor and fixing their remuneration
	Special Business
4.	Appointment of Mr. Ajay Bansal (DIN 06732641) as Director of the company
5.	Appointment of Mr. Ajay Bansal (DIN 06732641) as Whole Time Director of the company for a period of 05 (Five) Years
6.	Appointment of Mr. Arun Kumar Gupta(DIN: 06447121) as Independent Director for a period of 05 (Five) Years
7.	Appointment of Mr. Mahesh Chand(DIN : 06463812) as Independent Director for a period of 05 (Five) Years

Signed this _____ day of _____ 2014



Sign. of Shareholder Sign. of proxy holder

Note: 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.

ATTENDANCE SLIP

GRACIOUS SOFTWARE LIMITED

Registered Office: G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Darya Ganj, New Delhi – 110002

CIN: U72300DL2007PLC168989

Regd. Folio/DP ID & Client ID	
Name and Address of the Shareholder(s)	
Joint Holder 1/ Joint Holder 2	

- I hereby record my presence at the 7th Annual General Meeting of the Company to be held on Thursday, September 18, 2014 at 9.30 a.m. at G-6, Ground Floor, House No. 4346, Gali No. 4C, Ansari Road, Darya Ganj, New Delhi – 110002
- Signature of the Shareholder/Proxy Present
- Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
- Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

EVEN (E-voting Event Number)	USER ID	PASSWORD /PIN

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

