



**VIRTUALSOFT**  
Get The Digital Edge

**CONNECT  
COMMUNICATE & ENGAGE  
EXPERIENTIALLY**

Telecom Division

International  
Roaming  
& Enhanced  
Subsidiary

**ROAM1**  
Telecom Limited



Virtual Events &  
Demand Gen. Division



 **vReach™**

**VIRTUALSOFT SYSTEMS LIMITED**  
ANNUAL REPORT 2016-2017

## **Virtualsoft Systems Limited**

<b>BOARD OF DIRECTORS</b>	Mr. Gokul Tandan	Managing Director
	Mr. Rajendra V. Kulkarni	Director
	Mr. S C Rajpal	Director
	Mrs. Ritu Tandon	Director
	Ms. Ashima Puri	Director
<b>COMPANY SECRETARY</b>	Ms. Ritika Ahuja	
<b>CHIEF FINANCIAL OFFICER (CFO)</b>	Mr. Athar Ahmad	
<b>BANKERS</b>	HDFC BANK LIMITED S-355, Panchshila Park. New Delhi-110 017.	
<b>STATUTORY AUDITORS</b>	Nath Ahuja & Co. Chartered Accountants S-400, Graater Kailash -II New Delhi-110 048	
<b>REGISTERED OFFICE</b>	S-101, Panchsheel Park,, New Delhi-110 017	
<b>SHARE TRANSFER AGENT</b>	Mas Services Ltd. T-34, Okhla Industrial Area, Phase-II, New Delhi-110020	

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## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Friday, September 29, 2017 at 9:00 a.m. at Ambika Palace, B-3/B, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi –110 053, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017 and the Profit & Loss Account for the year ended as on that date and the Reports of Auditors and Directors thereon.
2. To re-appoint Mr. Rajendra Virupaksha Kulkarni, Director who retires by rotation and being eligible, has offered himself for re-appointment.
3. To appoint M/s. Krishna Neeraj & Associates Chartered Accountants as Auditors of the Company for a period of 5 years & who shall hold the office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2022 pertaining to financial year 2021-22 and to authorize the Board of Directors to fix their remuneration.

**Registered Office:**

S-101, Panchsheel Park, New Delhi-110 017.

Dated: August 24, 2017

By Order of the Board of Directors

Gokul Tandan  
Managing Director  
Virtualsoft Systems Limited

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

2. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday September 23rd, 2017 to Friday September 29th, 2017 (both days inclusive).
4. Member are requested:
  - i. to kindly notify the change of address, if any to the Company/ the Registrar / Depository Participant.
  - ii. To bring their copy of the Annual Report,
  - iii. to deposit to duly completed attendance slip at the meeting

**Registered Office:**

S-101, Panchsheel Park, New Delhi-110 017.

Dated: August 24th, 2017

By Order of the Board of Directors

Gokul Tandan  
Managing Director  
Virtualsoft Systems Limited

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting for your consideration and approval the Twenty Fifth Annual Report of Your Company for the financial year ended March 31, 2017.

### 1 Financial Result

PARTICULARS	(Rupees in Lacs)	
	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>1. Income from Operations</b>		
a) Net Sales/ Income From Operations	110.65	100.78
b) Other Operating Income	0.00	0.00
<b>2. Expenses</b>		
a. Cost of Materials Consumed	0.00	0.00
b. Purchase of Stock In Trade	77.28	2.08
c. Change in the inventories of Finished Goods, Work in Progress and Stock in Trade	0.00	0.00
d. Employee Benefit Expenses	64.35	106.40
e. Depreciation & Amortisation expenses	3.68	3.46
f. Other expenditure	38.19	33.98
<b>g. Total</b>	<b>183.50</b>	<b>145.92</b>
<b>3. Profit from Operations before Other Income, Finance Cost</b>		
<b>Interest and Exceptional Items (1-2)</b>	<b>(42.28)</b>	<b>(44.83)</b>
4. Other Income	0.46	2.85
5. Profit before Interest and Exceptional Items (3+4)	(72.39)	(42.29)
6. Finance Cost	4.94	2.09
7. Profit after Interest but before Exceptional Items (5-6)	(77.33)	(44.37)
8. Exceptional items	0.00	0.00
9. Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	(77.33)	(44.37)
10. Tax expense	0.00	0.00
11. Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	(77.33)	(44.37)
12. Extraordinary Item (net of tax expense Rs.	0.00	0.00
13. Net Profit(+)/ Loss(-) for the period (11-12)	(77.33)	(44.37)
14. Share of Profit / (loss) of associates *	0.00	0.00
15. Minority Interest*	0.00	0.00
16. Net Profit / (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13 + 14 + 15) *	(77.33)	(44.37)



17. Paid-up equity share capital (Face Value of the Share shall be indicated)	1029.76	1029.76
18. Reserve excluding Revaluation	20.00	20.00
19.(I) Earnings Per Share (before extraordinary items) ( of Rs.10/-each(not annualised)		
(a) Basic	(0.75)	(0.43)
(b) Diluted	(0.75)	(0.43)
19.(II) Earnings Per Share (After extraordinary items) (of Rs.10/- each (not annualised)		
(a) Basic	(0.75)	(0.43)
(b) Diluted	(0.75)	(0.43)

**1. BUSINESS AND OPERATIONS OF THE COMPANY**

**VirtualSoft-Co-creating, Integrating &Optimising World’s best & most innovative roaming, communications & collaboration platforms, Apps and solutions to provide consumers and enterprises an unbeatable communication experience.**

Video Rich Broadband and 4G mobile networks – with 5G coming by the end of this decade - are revolutionizing the way we do business and run our lives.Virtual Soft through its vReach division offer outstanding digital broadband solutions. vReach use technology developed inhouse and by our best-of –breed global partners to the advantage of large enterprises, associations and media companies as well as their customers and consumers. Broadband network& application solutions offer you a convergence of voice, data and video that can be used for your business – by creating and leveraging business function specific virtual events – both live & on-demand, ideally through an annual engagement contract with VirtualSoft.

A proprietary system called v Code guarantees clarity and seamless delivery of audio, video and multimedia files across both narrowband and broadband networks.

Virtual Soft has developed a world-class Enterprise Communication Platform called vReach that utilizes existing corporate computing and communications infrastructure to make real-time business meeting and events more cost-effective and convenient by reducing travel and extending reach to globally dispersed customers, partners, and co-workers over low and high bandwidth connections through a simple browser interface.

VirtualSoft’svReach division also offers Rich Media content creation and migration services using proprietary technology and business methods. It creates near video on-demand content synchronized with Power point slides

and other interactive mechanisms for leading conference organizers like CII, FICCI, The Times of India Group, The Federation of Asian Advertising Associations, India Today; and for leading enterprises such as SAP, IBM, The World Bank and the Tata Group.

It has created over 10,000 hours of such content for over 500 different conferences and training events. This content is available in CD/DVD form as well as on knowledge on-demand servers accessible over the intranet and/or internet.

vReach has also created a Demand Generation Practice where it uses its own and third party platforms, in-house multi-media content development, social media – web and telemarketing to create customized channel training & development, sales enablement and customer engagement programs mainly for Business to Business brands, in the Technology space.

In the year under Review, we continued making progress on both the Digital Demand Generation and Telecom initiatives that were launched in the past few years

In Demand Generation, we continued to strengthen the strategic partnership for India and APAC with 6Connex Inc. (www.6Connex.com) – a California based global leader in Virtual Experience & Virtual Destination based business solutions. Supplementing 6Connex’s latest Version 7 Technology/ Platform with our own domain competence, technology, processes and goto market ecosystem, Virtual Soft is poised launched a range of next generation Virtual Experience based events for demand generation, customer engagement, collaboration, learning and knowledge management. This will build on the work done in the past few years for brands like CNBC/ Web 18, Cisco, Oracle, and Intel – both at the India & APAC level.

The Telecom Division launched for global roaming solutions and services under “Roam1” brand (www.roam1.com), in FY 2010-11. The global roaming business portfolio was



hived off into a subsidiary Roam 1 Telecom Ltd during FY 13-14, we continue to make significant progress in terms of innovative and unique product introductions and plans as well as gaining market share and acceptance – both from end –customers and channel partners.

Our key offerings in Roam 1 Telecom Ltd, are based on Global or Regional (e.g Europe) Single Sim Product or Platform , that contains multiple IMSI Profiles or local country specific numbers – anywhere from 3 to 12 in ONE SIM that provides low cost Voice and data services when the subscriber travels overseas. This SIM provides Free Incoming in over 60 countries and provides low cost Call Back to India. This is offered through both prepaid and post-paid plans. The billing is in real time and is visible instantly on the web which ensures that there is no room for over billing. The customer gets to retain the card and can publish the number as his permanent International Number on his business card and stationary etc. This way every time the customer goes abroad, he adds talk time on his card which makes repeat business very easy for us. The Global Single SIM Product is supported by a wide array of country and continent specific products and plans for voice and data.

Roam1 has launched the Konnect VOIP Dialling App on a pilot basis for International Roamers, which has met with success, with hundreds of paid users this App every month.

VirtualSoft thus develops, integrates, optimizes and deploys the technologies of the day to provide the infrastructure, application platforms and Apps needed for rich and enhanced communications & international roaming services for enterprises and consumers – as well as for creating collaborative virtual business solutions for sales, customer engagement, training and knowledge management.

In the year under Review, with an intent to synergise the two divisions at a corporate level, the C2E3 Initiative was strengthened. C2E3 stands for Connect Communicate Engage Experientially and Cost – Effectively and provides a bridge for the Telecom & Roam 1 Division to collaborate with the Virtual Events and Demand Gen Division in technology & product development, marketing and large partner and account development. This will create unique cross developed product offerings in the enhanced communications and collaboration space – including web and video conferencing, cloud telephony, Rich Communication Services (RCS) based platforms, connected device life-cycle management solutions and will facilitate more sales yield from our goto market partners and large enterprise accounts. VirtualSoft now intends strengthening its Systems and Solutions Integration capability in this area and offer integrated solutions to both Large Enterprises and SMEs – directly and through Business Partners.

With the foundation in Enterprise Broadband solutions, Telecom and Roaming Solutions and now the C2E2 Initiative – all of which are scaling up well, the Company now expects significant growth in both revenues and profitability in the years to come.

### 3. DIVIDEND

Your Directors do not recommend a dividend due to loss incurred for the current financial year.

### 4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply pertaining to this financial year as there was no dividend declared and paid last year.

### 5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report

### 6. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for constitution of a Risk Committee, which will work towards creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps. The Committee will provide status updates to the Board of Directors of the Company.

### 7. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

### 8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies

Act, 2013 during the year under review and hence the said provision is not applicable.

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

No fresh Contracts or Arrangements was made with related parties pursuant to Section 188 except those continuing which were approved earlier by shareholders.

**10. STATUTORY AUDITORS**

The terms of M/s. Nath Ahuja & Co., Chartered Accountants, Statutory Auditors of the Company has expired as per provisions of Section 139 of the Companies Act, 2013.

The Board propose the name of M/s. Krishna Neeraj & Associates as Statuary Auditors of the Company for a term of 5 years upto Financial Year 2021-12 & to hold office of Statuary Auditors of the Company from the conclusion of ensuing AGM till conclusion of AGM to be held in the year 2022.

Consent of M/s.Krishna Neeraj & Associates has been obtained to act as Auditor of the Company. Also, M/s.Krishna Neeraj & Associates has declared that if appointed, his appointment will be well within the limit as prescribed under the companies Act.

**11. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr Sanjeev Kumar Jha from SJK & Co., practicing Company Secretary for conducting secretarial audit of the Company for the financial year 2016-17. The Secretarial Audit Report is annexed herewith as Annexure A.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

**12. INTERNAL AUDIT**

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has appointed CA Jyoti Kumar from Jyoti Kumar & Co., Chartered Accountant for conducting secretarial audit of the Company for the financial year 2016-2017.

**13. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There was no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

**14. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The company has a policy in place which will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the policy which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**15. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure B and is attached to this Report.

**16. NUMBER OF BOARD MEETINGS & THEIR COMMITTEES CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had Four (4) Board meetings during the financial year under review. The details are mentioned elsewhere in the Corporate Governance Report.

**17. DIRECTORS**

Mr. Rajendra V Kulkarni retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. The Board of Directors is duly constituted.

**18. DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**19. DEPOSITS**

The Company has not accepted deposits from the public for the year under consideration.

**20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The details of financial performance of Subsidiary/ Joint Venture/Associate Company is furnished in Annexure C. and attached to this report.

**21. CAPITAL MARKET DEVELOPMENTS**

As on date, 94.77% of Shares are in Demat form and are listed on various stock exchanges. The Company has, from time to time, reminded the shareholders/ investor, holding the Shares in Physical form to convert their Shareholding to dematerialized form.

**22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

(a) Details of Conservation of Energy

The Company uses electric energy for its equipment such as air-conditioners, computer terminals, lighting and utilities in the work premises.

Steps taken or impact on conservation of energy: All possible measures have been taken to conserve energy

By identifying potential areas for saving;

By incorporating energy efficient equipment;

By automation.

Steps taken by the company for utilizing alternate sources of energy: Nil

Capital Investment on energy conservation equipments: Nil

(b) Technology Absorption

1. Efforts in brief made towards technology absorption, adaptation and innovation:

These are adapted, wherever necessary, to local conditions.

2. Benefits derived as a result of the above efforts:

New product development, productivity and quality improvements, enhanced safety and environmental protection measures and conservation of energy.

3. Technology Imported: NIL

4. Expenditure on R&D: NIL

C. Foreign Exchange earnings and outgo

The information in this regard is provided in Note no. 31 of the Accounts. There had been no foreign exchanges earnings, during the year.

**23. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

(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.

Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

(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.

**24. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The composition of committees has been detailed in Corporate Governance Report part of this Report.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and



Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

**25. SHARES**

**a. BUY BACK OF SECURITIES:**

The Company has not bought back any of its securities during the year under review.

**b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

**c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

**d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

**26. CORPORATE GOVERNANCE**

A Separate statement on Corporate Governance along with the Certificate on its compliance is given as part of the Annual Reports.

**27. ACKNOWLEDGEMENTS**

Your Directors acknowledge with a deep sense of gratitude the continued support extended by investors, customers, business associates, bankers and vendors. Your Directors take this opportunity to thank the regulatory and governmental authorities.

Place : New Delhi  
Date : August 24, 2017

Mr. Gokul Tandan  
Managing Director

Mr. R.V.Kulkarni  
Director

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**Corporate Governance Report**

Corporate Governance is about commitment to values and about ethical business conduct. Its about how an organization is managed. This includes its Corporate Structure, its culture, policies and manner in which it deals with various stakeholders. Accordingly timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. This improves public understanding of the structure, activities and policies of the Organization. Consequently the Organization is able to attract investors, and to enhance the trust and confidence of the stakeholders.

Your Company believes that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, your Company always seeks to attain its performance rules with integrity. The Board extends its fiduciary responsibilities in the widest sense of the term. Your Company's endeavors to enhance long – term shareholder value and respect minority rights in all our business decisions.

**1. VSL Philosophy on Corporate Governance**

- i Satisfy the spirit of law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- 1 Be transparent and maintain high degree of disclosures levels. When in doubt, disclose.
- 2 Make a clear distinction between personal

**Conveniences and corporate resources.**

- 1 Communicate externally, in a truthful manner, about how the Company is run internally.
- 2 Have a simple and transparent corporate structure driven solely by the business needs.
- 3 Management is the trustee of the shareholder's capital and not the owner.

**2. Board of Directors**

At the core of its Corporate Governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the Company. Your Company believes that an active, well

– Informed and independent Board is necessary to ensure the highest standards of Corporate Governance. Two directors are independent Directors.

During the Financial Year ended 31st March 2017, Four Board Meetings were held on 30.05.16, 13.08.16, 14.11.16 & 14.02.17,

The Last Annual General Meeting was held on 30th September 2016.

The Composition of the Board, attendance of Directors at the Board Meetings held during the year under review as well as in the last Annual General Meeting and the number of other Directorships / Committee positions held by them are as under:



S. No.	Name & Designation	Category	No. Of other Directorships held	No of Board meetings		Attended last AGM (30.09.16)
				Held	Attended	
1.	Mr. Gokul Tandan	MD	7	4	4	Yes
2.	Mr. Rajendra V. Kulkarni	D	9	4	4	Yes
3.	Mr. Suresh Rajpal	NEID	8	4	4	No
4.	Ms. Ritu Tnadon	WD	4	4	4	No
5.	Ms. Ashima Puri	NEID	0	4	4	No

(MD- Managing Director, D - Director, NEID - Non-Executive Independent Director, WD-Woman Director)

**Directorship / Committee Positions**

S. No.	Name of the Director	Directorships	Committees Positions Name of the Company	Committee	Position
1.	Mr. Gokul Tandan	7	1. M/s. Goto Customers Services Pvt. Ltd. 2. M/s. Virtual Software & Training Pvt.Ltd. 3. M/s. Foundation Technologies Pvt. Ltd. 4. M/s. Roam1 Telecom Ltd. 5. M/s. Vreach Solutions Pvt. Ltd. 6. M/s Enhanced Cummunications & Technologies Pvt Ltd 7. M/s Vemanya Design Worx Pvt Ltd		Director Director Director Director Director Director Director
2.	Mr.Rajendra V. Kulkarni	9	1. M/s M R Capital Pvt. Ltd. 2. M/s. Vijay Stampings Pvt. Ltd. 3. M/s. Prime Valves India Ltd. 4. M/s. Marble Arch Estate Pvt. Ltd 5. M/s. Veerana Estate Pvt. Ltd. 6. M/s. Foundation Technologies ( Pvt.) Ltd. 7 M/s. Virtual Software & Training (P). Ltd. 8. M/s. Roan1 Telecom. Ltd. 9 M/s. Office Zone Products Pvt. Ltd.		Director Director Director Director Director Director Director Director Director
3.	Mr. Suresh Rajpal	8	1. M/s. Vishnova Solution Pvt. Ltd. 2. M/s Gisil Design Pvt.Ltd. 3. M/s. Electronic Tender.Com(India) Pvt.Ltd 4. M/s. Inde Pay networksPvt.Ltd. 5. M/s MobiRel Technology Services India Pvt. Ltd. 6. M/s. Visnova InteractivePvt.Ltd. 7. M/s. Inde Livelihood Foundation 8. M/s. Fakebuster India Pvt.Ltd.		Director Director Director Director Director Director Director Director
4.	Ms. Ritu Tandon	4	1..M/s. Foundation Technologies Pvt.Ltd. 2.M/s. Vreach Solutions Pvt. Ltd. 3.M/s. Vemanya Design Worx Pvt. Ltd. 4. M/s. Roam1 Telecom Ltd.		Director Director Director Director

None of the Directors on the Board hold Directorships in more than fifteen Companies and hold memberships in more than ten Committees and they do not act as Chairman of more than five Committees across all the Companies in which they are Directors.

## 2.1 Information Placed before the Board

In addition to the matters which statutorily require Board's approval, as required by Corporate Governance, the following matters are regularly placed before the Board :

- Minutes of Audit Committee Meetings, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee Meetings.
- Recruitment and Remuneration of senior executives below the board level.
- Details of Joint Ventures / Collaboration Agreement.
- Disclosure of material related party transaction, if any
- Compliance with Regulatory and statutory requirements including listing requirements & Shareholders services.
- Details of show cause, demand, prosecution and penalty notices which are materially important
- Transactions involving substantial payments towards goodwill, brand equity or intellectual Property.
- Sale of material nature of investments, subsidiaries and assets, which are outside the normal course of business.

## 3. Committees of the Board

In terms of the SEBI code, the Board of the Company has constituted the Following Committees:

### 3.1 Audit Committee

Share Transfer and Investors Grievance Committee.

### 3.1 Audit Committee

The following are the members and their attendance at the committee meetings:-

S.No.	Name of Directors	Status	No. of meetings	
			Held	Attended
1.	Mr. Suresh Rajpal	Member	4	4
2.	Mr. Rajendra V Kulkarni	Member	4	4
3.	Ms. Ashima Puri	Chairperson	4	4

During the year under review, the Audit Committee met 4 times on 30.05.16, 13.08.16, 14.11.16 & 14.02.17

The broad terms of references of Audit Committee are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment / re- appointment of external and internal auditors, tax auditors, fixation of statutory audit fees, internal audit fees and tax audit fees and also approval for payment of any other services.
- Review and management the annual financial statements before submission to the Board.
- Review quarterly UN – audited /audited financial results, half yearly review report.
- Review with Management, external and internal auditors the adequacy of internal control system.
- Review the adequacy of internal audit program me, internal audit reports; follow up reports and guidelines prepared for internal audit.
- To do any internal investigations either departmentally or with the help of internal auditors or any other outside agency into matters where they are suspected fraud or irregularities.
- Discussion with external Auditors before the Audit commences about nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Review the Company's financial and Risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors.

### 3.2. Stakeholder Relationship Committee

The STIG Committee consists of two Directors chaired by NEID.

This Committee looks into transfer and transmission of Shares, issue of duplicate share certificates,

Consolidation and sub – division of shares and investors' grievance. This Committee particularly looks into Investors Grievances and oversees the performance of the in- house Share Department/ Share Transfer Agents and to ensure prompt and

Efficient investors' services. The Committee met Four times during the year. The following are the members and their attendance at the Committee Meetings:-

Name of Member	No. of meetings	
	Held	Attended
1. Mr. S C Rajpal	4	4
2. Ms. Ritu Tandon	4	4

### 4. General Body Meetings

Location and time where General Meetings held in the last 3 years is given below:

Year	AGM / EGM	LOCATION	DATE	TIME
2015 - 2016	AGM	Rama Krishna Banquets Hall, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi - 110 053	30.09.2016	9:00 A.M.
2014 - 2015	AGM	Rama Krishna Banquets Hall, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi - 110 053	30.09.2015	9:00 A.M.
201 - 2014	AGM	Rama Krishna Banquets Hall, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi - 110 053	30.09.2014	9:00 A.M.

At the ensuing AGM also there is no such resolution to be passed through Postal Ballot.

4. Disclosures on materially significant related party transactions with Promoters, Directors, Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the Company at large.

**None of the materially significant transactions with any of the related parties were in conflict with the interest of the Company.**

6. Non – compliance by Company, penalties, strictures imposed on the Company by Stock Exchanges / Securities and Exchange Board of India (SEBI) etc.

During the last three years, there were no strictures or penalties or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non – compliance of any matter related to the Capital Markets.

### 7. Means of Communication

This is being done through Quarterly, half yearly and annual results, which are being published in English and Hindi daily newspapers

### 8. General Shareholders Information:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

### 9. Compliance Certificate

The Company Secretary have certified that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to The Director's Report.

The Certificate form the Statutory Auditors will be sent to the Listed Stock Exchanges along with the Annual Return of The Company.



**SHAREHOLDERS INFORMATION**

Registered Office : S-101, Panchsheel Park, New Delhi-110 017  
Corporate Office : A-69, Okhla Industrial Area Phase-II, New Delhi-110020  
Annual General Meeting : Date & Time: 29th September, 2017 at 9:00 A .M.  
Venue : Ambika Palace, B-3/B,Near Main Market,  
Bhajanpura, Main Wazirabad Road, Delhi –110 053

**Financial Calendar:**

-Financial reporting for the quarter ending June 30. 2017 : 14th August 2017  
-Financial reporting for the quarter ending Sep 30. 2017 : 14th November 2017  
-Financial reporting for the quarter ending Dec 31. 2017 : 14th February 2017  
-Financial reporting for the Year ending March 31. 2018 : 30th May 2018

Date of Book Closures: September 23, 2017 to September 29, 2017, both days inclusive.

**Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on the Stock Exchange at Bombay Stock Exchange.



Statement Showing Shareholding Pattern

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B) <sup>1</sup> (VI)	As a percentage of(A+B+C) (VII)	Number of shares (VIII)	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)				
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	2	3040083	3040083	29.522	29.522	0	0.00
(b)	Central Government/ State Government(s)				0.00	0.00		0.00
(c)	Bodies Corporate	2	4280000	4280000	41.563	41.563	0	0.00
(d)	Financial Institutions/ Banks				0.00	0.00		0.00
(e)	Any Others(Specify)				0.00	0.00		0.00
(e-i)					0.00	0.00		0.00
(e-ii)					0.00	0.00		0.00
	Sub Total(A)(1)	5	7320083	7320083	71.09	71.09	0	0.00
2	Foreign							0.00
a	"Individuals (Non-Residents Individuals /Foreign Individuals)"			0.00	0.00		0.00	
b	Bodies Corporate				0.00	0.00		0.00
c	Institutions				0.00	0.00		0.00
d	Any Others(Specify)				0.00	0.00		0.00
d-i					0.00	0.00		0.00
d-ii					0.00	0.00		0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	7320083	7320083	71.09	71.09	0	0.00
(B)	Public shareholding							0.00
1	Institutions							0.00
(a)	Mutual Funds/ UTI				0.00	0.00		0.00
(b)	Financial Institutions / Banks				0.49	0.49	N.A.	0.00
(c)	Central Government/ State Government(s)	1	50000	50000	0.00	0.00		0.00
(d)	Venture Capital Funds				0.00	0.00		0.00
(e)	Insurance Companies				0.00	0.00		0.00
(f)	Foreign Institutional Investors				0.00	0.00		0.00
(g)	Foreign Venture Capital Investors				0.00	0.00		0.00
(h)	Any Other (specify)				0.00	0.00		0.00
(h-i)					0.00	0.00		0.00
(h-ii)					0.00	0.00		0.00
	Sub-Total (B)(1)	1	50000	50000	0.49	0.49		0.00
B 2	Non-institutions							0.00
(a)	Bodies Corporate	39	78423	69023	0.76	0.76	N.A.	0.00
(b)	Individuals							0.00
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	2735	1089960	710504	10.58	10.58	N.A.	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12	1577373	1577373	15.32	15.32	N.A.	0.00
(c)	Any Other (specify) (NRI)	47	155700	5900	1.52	1.52	N.A.	0.00
(c-i)	Any Other (Clearing Member)	6	24861	24861	0.24	0.24	N.A.	0.00
(c-ii)	NRI Non Repat	3	1200	1200	0.01	0.01	0.00	0.00
	Sub-Total (B)(2)	2842	2927517	2388861	28.43	28.43	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	2843	2977517	2438861	28.91	28.91	0.00	0.00
	TOTAL (A)+(B)	2847	10297600	9758944	100.00	100.00	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							0.00
1	Promoter and Promoter Group					0.00		0.00
2	Public					0.00		0.00
	Sub-Total (C)	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	2847	10297600	9758944	100.00	100.00	0	0.00



**Status of Dematerialization as on March 31, 2017**

<b>PARTICULARS</b>	<b>NO. OF SHARES</b>	<b>% TO TOTAL CAPITAL</b>
National Security Depository Limited	9141537	88.77%
Central Depository Services (India) Limited	617407	6.00%
<b>TOTAL DEMATERIALIZED</b>	<b>9758944</b>	<b>94.77%</b>
PHYSICAL	538656	5.23%
<b>GRAND TOTAL</b>	<b>10297600</b>	<b>100%</b>

**CERTIFICATE ON CORPORATE GOVERNANCE CERTIFICATE**

**M/s VIRTUAL SOFT SYSTEMS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **M/s. VIRTUAL SOFT SYSTEMS LIMITED**. ('the Company') for the year ended 31st March, 2017 as stipulated in Clause 49 of the Listing Agreement of the said with various Stock Exchange (hereinafter referred to as "the agreement").
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Company.
3. In our opinion and based on our review and to the best of our information and according to the explanations given to us, we certify that the conditions of the Corporate Governance as stipulated I clause 49 of the agreement have been complied with in all material aspects of the Company.
4. As required by the Guidance note issued by the institute of Chartered Accountants of India, we have to state that as per the records maintained by the Share transfer and / Investor Grievance Committee, there was no investor except which are constrained by disputes and legal impediments.

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 SJK & Co  
Practicing Company Secretary  
C P No. 9870

Place: New Delhi  
Date: 24 Aug, 2017



**Annexure A**

(For the Financial Year ending on 31st March 2017)

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

To,

The Board of Directors

Virtualsoft Systems Ltd

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Virtualsoft Systems Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute 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, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March 2017, 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. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
  - 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
  - h. The Memorandum and Articles of Association.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
  - a) maintenance of various statutory registers and documents and making necessary entries therein;
  - b) closure of the Register of Members.
  - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;

- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) notice of Board meetings and Committee meetings of Directors;
- f) the meetings of Directors and Committees of Directors;
- g) the Annual General Meeting held on 30th September 2015;
- h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) appointment and remuneration of Auditors and Cost Auditors;
- m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) declaration and payment of dividends;
- o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) investment of the Company's funds including investments and loans to others;
- r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s) Directors' report;
- t) contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

**3. 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 is 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 are captured and recorded as part of the minutes.
  - The Company has obtained all necessary approvals under the various provisions of the Act; and
  - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.



5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
7. **I further report that:**
  - a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited;
  - b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
8. **I further report that** based on the information received and records maintained 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.
9. **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.

Place : New Delhi  
Date : 24th August 2017

Sd/-  
(Sanjeev Kumar Jha)  
Company Secretary  
Membership no. 24895, CP No: 9870



**Annexure -B**

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN ON THE FINANCIAL YEAR ENDED ON 31st March 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i. CIN	L72200DL1992PLC047931
ii. Registration Date	10/03/1992
iii. Name of the Company	VIRTUALSOFT SYSTEMS LIMITED
iv. Category/Sub-Category of the Company	Co. Ltd by Share/ Indian Non Government company
v. Address of the Registered office and contact details	S-101, PANCHSHEEL PARK, NEW DELHI-110020 Ph: 011-4270191
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Pvt. Ltd. T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 Ph: 011-26383145

**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:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Software Development	72291	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Roam1 Telecom Limited	U64100DL2011PLC222155	Subsidiary	58.54	-



**IV. 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	3040083	0	3040083	29.522	3040083	0	3040083	29.522	0.000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	4280000	0	4280000	41.563	4280000	0	4280000	41.563	0.000
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-	7320083	0	7320083	71.085	7320083	0	7320083	71.085	0.000
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	50000	0	50000	0.486	50000	0	50000	0.486	0.000
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)	50000	0	50000	0.486	50000	0	50000	0.486	0.000
2. Non Institutions									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas	69023	9400	78423	0.762	70690	9400	80090	0.778	(0.02)
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	710504	379456	1089960	10.585	663231	380256	1043487	10.133	0.45



## Virtualsoft Systems Limited

(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1577373		1577373	15.318	1628977	0	1628977	15.819	(0.50)
c) Others(Specify)									
i. Any other NRI/OCB	5900	149800	155700	1.512	7100	149800	156900	1.524	(0.01)
ii. NRI-Non repeat	1200	0	1200	0.012	0	0	0	0.000	0.01
iii. Any other clearing member	24861	0	24861	0.241	18063	0	18063	0.175	0.07
Sub-total(B)(2)	2388861	538656	2927517	28.429	2388061	539456	2927517	28.429	0.00
TotalPublic Shareholding (B)=(B)(1)+ (B)(2)	2438861	538656	2977517	28.917	2438061	539456	2977517	28.914	0.00
C.Shares heldby Custodianfor GDRs & ADRs									
GrandTotal (A+B+C)	9758944	538656	10297600	100.00	9758144	539456	10297600	100.00	0.00



**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
1.	Mohini Tandan	346717		3.37	0	346717	3.37	0.00
2.	Gokul Tandan	2693366		26.16	0	2693366	26.16	0.00
3.	Virtual software &	4200000		40.79	0	4200000	40.79	0.00
4.	M R Capital Pvt Ltd	80000		0.78	0	80000	0.78	0.00
Total		7320083		71.08	0	7320083	71.08	0.00

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

Sr. no		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
1.	At the beginning of the year	-	-	-	-
	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	-	-	-	-

**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	2,98,212	137,238,640	0	137,536,852
<b>Total (i+ii+iii)</b>	<b>2,98,212</b>	<b>137,238,640</b>	<b>0</b>	<b>137,536,852</b>
Change in Indebtedness during the financial year				
- Addition	0	129,50,000	0	129,50,000
- Reduction	(1,63,227)	(69,40,488)	0	(71,03,715)
Net Change	1,34,985	60,09,512	0	61,44,497
Indebtedness at the end of the financial year				
i) Principal Amount	1,34,985	143,248,152	0	143,383,137
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>1,34,985</b>	<b>143,248,152</b>	<b>0</b>	<b>143,383,137</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...	-
5.	Others, please specify	-
6.	Total (A) Ceiling as per the Act	-

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
	Independent Directors	-
	· Fee for attending board committee meetings	-
	· Commission	-
	· Others, please specify	-
	Total (1)	-
	Other Non-Executive Directors	-
	· Fee for attending board committee meetings	-
	· Commission	-
	· Others, please specify	-
	Total (2)	-
	Total (B) = (1+2)	-
	Total Managerial Remuneration	-
	Overall Ceiling as per the Act	-



**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act-1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		240000	730099	970099
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
<b>6.</b>	<b>Total</b>		<b>240000</b>	<b>730099</b>	<b>970099</b>

**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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



VIRTUALSOFT CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

**Annexure C**

Financial Performance of Subsidiary, Joint Venture & Associate companies  
Financials of Subsidiary company Roam1 Telecom Ltd;

**Statement of Profit and Loss for the year ended 31 March, 2017**

In Indian Rupees

Particulars	Note No.	At the end of Current Reporting Period	At the end of Previous Reporting Period
<b>A CONTINUING OPERATIONS</b>			
<b>Income</b>			
Revenue from operations (net)	16	7,63,51,920	5,89,08,189
Other income	17	59,498	2,36,518
<b>Total Revenue</b>		<b>7,64,11,418</b>	<b>5,91,44,707</b>
<b>Expenses</b>			
Purchases of stock-in-trade	18	4,51,66,832	3,59,76,115
Changes in inventories of stock-in-trade	19	6,62,322	4,07,963
Employee benefit expense	20	4,07,35,035	2,90,86,797
Other operating expenses	21	4,23,49,096	2,69,50,813
Finance cost	22	78,03,031	85,66,798
Depreciation and amortisation expenses	23	29,45,484	21,30,955
<b>Total Expenses</b>		<b>13,96,61,800</b>	<b>10,31,19,441</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(6,32,50,382)</b>	<b>(4,39,74,734)</b>
Add: Exceptional items		-	-
<b>Profit / (Loss) before tax</b>		<b>(6,32,50,382)</b>	<b>(4,39,74,734)</b>
Tax expense:			
Less: Current tax		-	-
Less: Deferred tax		-	-
Total tax expense		-	-
<b>Profit/(Loss) after tax</b>		<b>(6,32,50,382)</b>	<b>(4,39,74,734)</b>
<b>Loss for the year from total operations</b>		<b>(6,32,50,382)</b>	<b>(4,39,74,734)</b>
<b>Earnings per equity share</b>	33		
Basic EPS			
~for Nominal Value of Share Rs. 10/-		(42.17)	(29.32)
~for Nominal Value of Share Rs. 5/-		(21.09)	(14.66)
Diluted EPS			
~for Nominal Value of Share Rs. 10/-		(41.94)	(29.16)
~for Nominal Value of Share Rs. 5/-		(20.97)	(14.58)

Other Explanatory notes forming part of the financial statement 24 - 40

In terms of our report of even date attached.

for **Nath Ahuja & Company** For and on behalf of the Board of Directors of **Roam1 Telecom Ltd.**

Chartered Accountants

ICAI Firm Registration Number : 001083N

**N N Ahuja**

Proprietor

Membership No : 080178

**Rajendra V. Kulkarni**

Director

DIN : 00988255

**Gokul Tandan**

Managing Director

DIN : 00441563

New Delhi

30th May, 2017



CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

**Balance Sheet as at 31 March, 2017**

In Indian Rupees

Particulars	Note No.	At the end of Current Reporting Period	At the end of Previous Reporting Period
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	4,49,98,750	4,49,98,750
(b) Reserves and surplus	2	(9,61,55,562)	(3,29,05,180)
		<b>(5,11,56,812)</b>	<b>1,20,93,570</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	14,32,55,755	7,71,38,732
(b) Other long-term liabilities	4	4,95,925	7,57,428
		<b>14,37,51,680</b>	<b>7,78,96,160</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings		95,02,197	1,44,99,158
(b) Trade payables	5	68,10,925	95,05,172
(c) Other current liabilities	6	1,83,28,862	1,64,40,331
(d) Short-term provisions	7	23,12,207	9,77,527
		<b>3,69,54,191</b>	<b>4,14,22,188</b>
<b>TOTAL</b>		<b>12,95,49,059</b>	<b>13,14,11,918</b>
<b>B ASSETS</b>			
<b>4 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	69,97,176	52,52,742
(ii) Intangible assets	9	11,16,841	12,99,638
(iii) Intangible assets under development	10	10,30,21,530	10,13,71,530
(b) Long-term loans and advances	11	32,79,359	29,31,062
		<b>11,44,14,906</b>	<b>11,08,54,972</b>
<b>5 Current assets</b>			
(a) Inventories	12	32,42,910	39,05,232
(b) Trade receivables	13	78,86,869	1,13,70,677
(c) Cash and cash equivalents	14	10,39,237	9,79,554
(d) Short-term loans and advances	15	29,65,137	43,01,483
		<b>1,51,34,153</b>	<b>2,05,56,946</b>
<b>TOTAL</b>		<b>12,95,49,059</b>	<b>13,14,11,918</b>

Other Explanatory notes forming part of the financial statement

24 - 40

In terms of our report of even date attached.

for **Nath Ahuja & Company**

For and on behalf of the Board of Directors of **Roam1 Telecom Ltd.**

Chartered Accountants

ICAI Firm Registration Number : 001083N

**N N Ahuja**

Proprietor

Membership No : 080178

**Rajendra V. Kulkarni**

Director

DIN : 00988255

**Gokul Tandan**

Managing Director

DIN : 00441563

New Delhi

30th May, 2017

## STANDALONE FINANCIAL STATEMENT

### INDEPENDENT AUDITOR'S REPORT

To the Members of VirtualSoft Systems Limited

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of VirtualSoft Systems Limited ('the Company') which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year ended 31st March 2017, 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 of these standalone 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 controls, 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 standalone 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 thereunder.

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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 statement of affairs of the Company as at 31st March, 2017 and its profit and Loss and its cash flows for the year ended on that date.

#### Emphasis of Matter

Attention is invited to Note no. 25 under Explanatory Notes to Financial Statements regarding compliance with 'AS 15- Accounting for Employee Benefits', the management is providing for provisions of gratuity and leave encashment as per management's policy whereas as per AS-15, every listed company is required to get the valuation done by an Actuary.

Attention is invited to Note no. 32 under Explanatory Notes to Financial Statements regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the company's net worth is eroded (Net Worth as on 31st March, 2017 minus Rs. 5,77,56,565/-). These events cast significant doubt on the ability of the Company to continue as a going concern.

Attention is invited to Note no. 35 under Explanatory Notes to Financial Statements regarding amortization of intangible assets. The company has not provided for amortization of CRM Software and Website under development.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("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", a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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. except for the matter described in the Emphasis of Matter paragraph, in our opinion, the aforesaid standalone 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 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of Section 164(2) of the Act;

- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company does not have any long term, contracts including derivate contracts for which provision would be required to be made under the applicable law or accounting standards, for material foreseeable losses.
  - c. Following are the instances of delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company :

Year	Amount(Rs)
1997-1998	43850
1996-1997	27390

For **Nath Ahuja & Co.**  
Chartered Accountants  
Firm's registration number: 001083N

Narinder Nath Ahuja  
Proprietor  
Membership No. 80178  
  
New Delhi  
30th May, 2017

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

- i) In respect of its fixed assets:
  - (a) The Company has maintained its Fixed Assets Register.
  - (b) As explained to us, the physical verification of fixed assets was conducted by the management at reasonable intervals but we were not provided with any records for the same so we are unable to comment on the frequency of physical verification having regard to the size of the Company and the nature of assets.
  - (c) According to the information and explanations given to us, point (c) is not applicable as the Company does not have any immovable properties.
- ii) In respect of its inventories:
  - (a) As informed and represented to us, there were no inventories lying with the company which were required to be physically verified during the year by the management at reasonable intervals.
  - (b) As the company does not have inventory, point (b) is not applicable.
- iii) In respect of loans granted by the company:
  - (a) The Company has not granted any loans, secured or Unsecured to Companies firms or other parties covered under register maintained under section 189 of the Companies Act, 2013.
  - (b) Accordingly, para 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount and interest.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year. Therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the Company.
- vi) We have been informed by the management that no cost records have been prescribed under section 148 (1) of The Companies Act, for any of the products sold or services rendered by the company.
- vii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is not regular in depositing undisputed statutory dues including Service Tax, Income Tax and other material statutory dues as applicable with appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or any other material statutory dues were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable.  
  
According to the information and explanations given to us, there are no dues of Service Tax, Income Tax, Sales Tax and Excise Duty which have not been deposited on account of any dispute as at March 31, 2017.
- viii) According to the information and explanations given to us, the company has not taken any loans from financial institutions or banks so there is no default in repayment of dues to financial institutions or banks or bond holders.
- ix) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers has been noticed or reported during the course of our audit.
- x) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in the financial year under consideration.
- xi) During the course of our examination of the books of account, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the year, nor have we been informed of such cases by the management.

- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures or preference shares.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Nath Ahuja & Co.**  
Chartered Accountants  
Firm's registration number: 001083N  
  
Narinder Nath Ahuja  
Proprietor  
Membership No. 80178  
  
New Delhi  
30th May, 2017

## **Annexure- B to the Auditors' Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **VirtualSoft Systems Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Nath Ahuja & Co.**  
Chartered Accountants  
Firm's registration number: 001083N

Narinder Nath Ahuja  
Proprietor  
Membership No. 80178

New Delhi  
30th May, 2017



CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

**Balance Sheet as at 31 March, 2017**

In Indian Rupees

Particulars	Note No.	Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	10,29,76,000	10,29,76,000
(b) Reserves and surplus	2	(16,07,32,565)	(15,29,99,474)
		<b>(5,77,56,565)</b>	<b>(5,00,23,474)</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	14,32,48,152	13,75,36,852
		<b>14,32,48,152</b>	<b>13,75,36,852</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	3	1,34,984	-
(b) Trade payables	4	4,93,251	8,98,976
(c) Other current liabilities	5	27,98,325	54,52,733
(d) Short-term provisions	6	17,15,684	16,91,292
		51,42,244	80,43,001
<b>TOTAL</b>		<b>9,06,33,831</b>	<b>9,55,56,379</b>
<b>B ASSETS</b>			
<b>4 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	6,89,916	10,58,223
(ii) Intangible assets under development	8	45,11,334	45,11,334
(b) Non-current investments	9	7,92,00,000	7,92,00,000
(c) Long-term loans and advances	10	5,06,985	28,90,187
		<b>8,49,08,235</b>	<b>8,76,59,744</b>
<b>5 Current assets</b>			
(a) Trade receivables	11	5,18,151	29,08,487
(b) Cash and bank balances	12	21,20,600	10,56,839
(c) Short-term loans and advances	13	30,86,845	39,31,309
		57,25,596	78,96,635
<b>TOTAL</b>		<b>9,06,33,831</b>	<b>9,55,56,379</b>

Other Explanatory notes forming part of the financial statement

21 - 38

In terms of our report of even date attached.

for **Nath Ahuja & Company**

Chartered Accountants

ICAI Firm Registration Number : 001083N

**N N Ahuja**

Proprietor

Membership number : 080178

New Delhi

30th May, 2017

**Rajendra V. Kulkarni**

Director

For and on behalf of the Board of Directors of VSL

**Gokul Tandan**

Managing Director

**Ritika Ahuja**

Company Secretary

**Athar Ahmad**  
Chief Financial Officer



CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

**Statement of Profit and Loss for the year ended 31 March, 2017**

Particulars	Note No.	Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
<b>A CONTINUING OPERATIONS</b>			
Income			
Revenue from operations (net)	14	1,10,65,043	1,00,78,172
Other income	15	45,517	2,84,934
<b>Total Revenue</b>		<b>1,11,10,560</b>	<b>1,03,63,106</b>
<b>Expenses</b>			
Purchase of Services	16	77,27,563	-
Employee benefit expense	17	64,35,182	1,06,40,189
Other operating expenses	18	38,18,581	36,05,200
Finance cost	19	4,94,018	2,08,740
Depreciation and amortisation expenses	20	3,68,307	3,46,324
<b>Total Expenses</b>		<b>1,88,43,651</b>	<b>1,48,00,453</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(77,33,091)</b>	<b>(44,37,347)</b>
Add: Exceptional items		-	-
Profit / (Loss) before tax		(77,33,091)	(44,37,347)
Tax expense:			
Less: Current tax		-	-
Less: Deferred tax		-	-
Total tax expense		-	-
<b>Profit / (Loss) after tax from continuing operations</b>		<b>(77,33,091)</b>	<b>(44,37,347)</b>
Earnings per equity share (nominal value of share Rs. 10/- each)			
Basic and diluted earnings per share			
~Continuing operations		(0.75)	(0.43)
~Total operations		(0.75)	(0.43)

Other Explanatory notes forming part of the financial statement 21 - 38

In terms of our report of even date attached.

for **Nath Ahuja & Company**

Chartered Accountants

ICAI Firm Registration Number : 001083N

For and on behalf of the Board of Directors of VSL

**N N Ahuja**

Proprietor

Membership number : 080178

**Rajendra V. Kulkarni**

Director

**Gokul Tandan**

Managing Director

**Ritika Ahuja**

Company Secretary

New Delhi

30th May, 2017

**Athar Ahmad**

Chief Financial Officer

**Cash Flow Statement for the year ended 31 March, 2017**

Particulars	Figures at the end of Current Reporting Period	Figures at the end of Previous Reporting Period
<b>A Cash flow from operating activities</b>		
Profit / (Loss) before tax from -Continuing operations	(77,33,091)	(44,37,347)
<b>Adjustments for:</b>		
Depreciation and amortisation on continuing operations	3,68,307	3,46,324
Finance costs	4,94,018	2,08,740
Interest income	(21,248)	(24,556)
<b>Profit / (Loss) before working capital changes</b>	<b>(68,92,014)</b>	<b>(39,06,839)</b>
<b>Movement in working capital :</b>		
(Increase) / decrease in inventories		-
(Increase) / decrease in trade receivables	23,90,336	(8,57,133)
(Increase) / decrease in other receivables, loans and advances	8,44,464	(6,50,170)
(Decrease)/Increase in Loans and advances adjusted through Reserves		(5,00,199)
(Decrease) / increase in trade payables, other current and long term liabilities	(30,60,134)	15,61,886
(Decrease) / increase in Short Term Borrowings	1,34,984	
(Decrease) / increase in provisions	24,392	2,39,042
<b>Cash generated from operations</b>	<b>(65,57,971)</b>	<b>(41,13,412)</b>
Taxes paid, net	-	-
<b>Net cash flow (used in) / from operating activities (A)</b>	<b>(65,57,971)</b>	<b>(41,13,412)</b>
<b>B Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	-	(2,02,833)
Long Term Loans and Advances	23,83,202	19,15,403
(Investment) / redemption in bank deposits (having original maturity of more than three months)	1,000	(1,000)
Interest received	21,248	24,556
<b>Net cash flow (used in) / from investing activities (B)</b>	<b>24,05,450</b>	<b>17,36,126</b>
<b>C Cash flow from financing activities</b>		
Receipt from borrowings	57,11,300	24,98,628
Repayment of borrowings		(2,45,920)
Finance costs	(4,94,018)	(2,08,740)
<b>Net cash flow (used in) / from financing activities (C)</b>	<b>52,17,282</b>	<b>20,43,968</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>10,64,761</b>	<b>(3,33,318)</b>
Add: Balance of Cash and cash equivalents as at the beginning of the year	7,34,599	10,67,917
<b>Cash and cash equivalents as at the end of the year</b>	<b>17,99,360</b>	<b>7,34,599</b>



## Virtualsoft Systems Limited

a) The reconciliation to the cash and bank balances as given in note 13 is as follows:

Cash and bank balances including non current bank balances, as per note 13	21,20,600	10,56,839
Less: Term deposits placed with banks	2,50,000	2,51,000
Less: Unpaid dividend accounts *	71,240	71,240
<b>Cash and cash equivalents at the end of the year</b>	<b>17,99,360</b>	<b>7,34,599</b>

\* These balances are not available for use by the company as they represent corresponding unpaid dividend liabilities

### Notes:

- 1 Figures in bracket indicate cash outflow
- 2 The above cash flow statement has been prepared under the indirect method setout in AS-3 'Cash Flow Statement' notified under the Companies (Accounting Standard) Rules, 2006 (as amended).
- 3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

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In terms of our report of even date attached.

for **Nath Ahuja & Company**  
Chartered Accountants  
ICAI Firm Registration Number : 001083N

For and on behalf of the Board of Directors of VSL

**N N Ahuja**  
Proprietor  
Membership number : 080178

**Rajendra V. Kulkarni**  
Director

**Gokul Tandan**  
Managing Director

**Ritika Ahuja**  
Company Secretary

New Delhi  
30th May, 2017

**Athar Ahmad**  
Chief Financial Officer



**Notes to the financial statements for the year ended 31 March, 2017**

**1. Share capital**

	As at 31 March, 2017	As at 31 March, 2016
<b>Authorized:</b>		
1,50,00,000 Equity Shares of Rupees 10 each (31 March 2016: 1,50,00,000 Ordinary Shares of Rupees 10 each)	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued</b>		
1,02,97,600 Equity Shares of Rupees 10 each (31 March 2016: 1,02,97,600 Ordinary Shares of Rupees 10 each)	102,976,000	102,976,000
Subscribed and paid-up: 1,02,97,600 Equity Shares of Rupees 10 each (31 March 2016: 1,02,97,600 Ordinary Shares of Rupees 10 each)	102,976,000	102,976,000
	<u>102,976,000</u>	<u>102,976,000</u>

Additional information:

**(1) The movement in subscribed and paid-up share capital is set out below:**

Equity Shares of Rupees 10 each	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,02,97,600	102,976,000	102,976,000	102,976,000
Shares allotted during the year	-	-	-	-
	<u>1,02,97,600</u>	<u>102,976,000</u>	<u>1,02,97,600</u>	<u>102,976,000</u>

(a) 27,50,000 Equity Shares of face value of Rupees 10 per share were allotted on 27th July, 2012 to Promoter Group on preferential basis.

**(2) Shareholder holding more than 5% shares in the company:**

Name of shareholders	As of 31 March 2017		As of 31 March 2016	
	No. of Shares	%	No. of Shares	%
(a) Virtual Software and Training Private Limited	42,00,000	40.79	42,00,000	44.79
(b) Gokul Tandan	26,93,366	26.16	26,93,366	26.16
(c) Mohini Tandan	3,46,717	3.37	3,46,717	3.37

**(3) Terms/Rights attached to equity shares:**

The Company has only one class of equity shares having par value of Rupee 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend (if proposed) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting.



**2. Reserves and surplus**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016
(a) Capital Reserve		
Balance as per last balance sheet	2,000,000	2,000,000
(b) General Reserve		
Balance as per last balance sheet	2,56,84,301	2,61,84,500
Less : Adjustments made during the year	-	5,00,199
Closing Balance	<u>2,56,84,301</u>	<u>2,56,84,301</u>
(c) Deficit in the Statement of Profit and loss		
Balance as per last balance sheet	(18,06,83,775)	(17,62,46,428)
Add: Profit/(Loss) for the year	(77,33,091)	(44,37,347)
Net deficit in Statement of Profit and loss	<u>(18,84,16,866)</u>	<u>(18,06,83,775)</u>
	<b>(16,07,32,565)</b>	<b>(15,29,99,474)</b>

**3. Borrowings**

	<b>As at 31 March, 2017</b>			As at 31 March, 2016		
	Long -term-	Short term	Total	Long -term	Short -term	Total
<b>A. Secured Borrowings</b>						
(a) Term Loans						
(i) From financial institutions	0	1,34,984	1,34,984	1,34,984	1,63,228	2,98,212
<b>B. UnSecured Borrowings</b>						
(a) Loans from related parties						
(i) From directors	14,04,09,750	-	14,04,09,750	12,81,59,750	-	12,81,59,750
(ii) From other related parties	8,38,402	-	8,38,402	70,78,890	-	70,78,890
(b) Others	20,00,000	-	20,00,000	20,00,000	-	20,00,000
	<b>14,32,48,152</b>	<b>1,34,984</b>	<b>14,33,83,137</b>	<b>13,73,73,624</b>	<b>1,63,228</b>	<b>13,75,36,852</b>

**Additional information:**

- (1) Secured loan represent vehicle loans from bank/finance companies which are secured by hypothecation of vehicles of the Company.
- (2) UnSecured loan from directors and related parties do not carry any interest, also the maturity is dependent on the funds available with the company.
- (3) Loans from Directors includes amount of Rs. 14,04,09,750/-due to Mr. Gokul Tandon.
- (4) Details on analysis of borrowings i.e. Maturity profile, Interest rate and Currency of borrowings.

Currency of Borrowings	Rate of Interest (Weighted average)	As of 31 March, 2017	within year	Maturity Profile		over five year
				between one and two year	between two and five year	
Indian Rupees	11.25%	0	1,34,993	-		-



## Virtualsoft Systems Limited

### 4. Trade payables

	As at 31 March, 2017	As at 31 March, 2016
(a) Creditors for supplies/services	4,93,251	8,98,976
	<u>4,93,251</u>	<u>8,98,976</u>

### 5. Other current liabilities

(a) Unpaid dividend account [refer note 30]	71,240	71,240
(b) Credit balance in staff imprest/advance	8,690	14,317
(c) Salary payable	18,49,141	19,26,063
(d) Statutory Dues Payable	3,33,082	29,04,947
(e) Other liabilities	5,36,173	5,36,167
	<u>27,98,325</u>	<u>54,52,733</u>

### 6. Short-term provisions

Provisions for employee benefits		
Provision for Expenses	54,000	41,175
Provision for Gratuity	13,75,461	13,63,894
Provision for Leave Encashment	2,86,223	2,86,223
	<u>17,15,684</u>	<u>16,91,292</u>

Additional information:

- (1) Provision for gratuity and leave encashment has been valued and certified by the management.

### 7. Tangible assets

	Vehicles	Office Equipments	Computers	Total
<b>Gross Block</b>				
<b>As of April 1, 2015</b>	12,39,762	14,23,987	4,98,249	31,61,998
Additions	-	-	2,02,833	2,02,833
Disposals	-	-	-	-
<b>As of March 31, 2016</b>	12,39,762	14,23,987	7,01,082	33,64,831
Additions	-	-	-	-
Disposals/Sale	-	-	-	-
<b>As of March 31, 2017</b>	12,39,762	14,23,987	7,01,082	33,64,831
<b>Accumulated Depreciation</b>				
<b>As of April 1, 2015</b>	2,93,213	13,52,787	3,14,284	19,60,284
Charge for the year	1,47,284	-	1,99,041	3,46,324
Elimination on account of disposals	-	-	-	-
<b>As of March 31, 2016</b>	4,40,497	13,52,787	5,13,324	23,06,608
Charge for the year	1,80,550	-	1,87,758	3,68,307
Elimination on account of disposals	-	-	-	-
<b>As of March 31, 2017</b>	6,21,046	13,52,787	7,01,082	26,74,916
<b>Net Block</b>				
As of March 31, 2016	7,99,265	71,200	1,87,758	10,58,223
<b>As of March 31, 2017</b>	<b>6,18,716</b>	<b>71,200</b>	<b>-</b>	<b>6,89,916</b>



**8. Intangible assets under development**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016
CRM Software	24,71,334	24,71,334
Website under development	20,40,000	20,40,000
	<b>45,11,334</b>	<b>45,11,334</b>

**9. Non-current Investments**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016
Trade Investment (at cost)		
Investments in Unquoted Equity Instruments		
Subsidiary Company		
Roam1 Telecom Limited: 1,20,00,000 ( 31 March 2016: 1,20,00,000)	7,92,00,000	7,92,00,000
Equity shares of Rupees 10 each fully paid-up	<b>7,92,00,000</b>	<b>7,92,00,000</b>

**10. Long-term Loans and Advances**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016
Unsecured, Considered good		
Security deposits	3,52,500	3,52,500
Loans and advances to related parties	1,54,485	22,18,514
Inter-corporate deposits	-	-
Other loans and advances	-	3,19,173
	<b>5,06,985</b>	<b>28,90,187</b>

Additional information:

**(a) Disclosures as per Clause - 32 of the listing agreement:**

Loans and advances to related parties in the nature of loans:

Name of the company	Relationship	<b>As at 31 March, 2017</b>	Maximum balance outstanding during the year
Roam1 Telecom Limited	Subsidiary	-	21,18,695
Vreach Sololutions Private Limited	Company in which Director are inetrsted	154,485	154,485
		<b>1,54,485</b>	<b>22,73,180</b>

**11. Trade Receivables**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016
Unsecured, unless otherwise stated Outstanding for a period exceeding six months		
Considered good	2,93,901	2,93,901
Considered doubtful	-	-
Less: provision for doubtful receivables	-	-
	<u>2,93,901</u>	<u>2,93,901</u>
Other receivables Considered good	2,24,250	26,14,586
	<u>2,24,250</u>	<u>26,14,586</u>
	<b><u>5,18,151</u></b>	<b><u>29,08,487</u></b>

**12. Cash and Bank balances**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016
Cash and Cash equivalents		
(a) Balances with Banks		
In current accounts	7,38,100	2,72,126
In deposits accounts with original maturity of 3 months or less	-	-
(b) Cash on hand	10,61,260	4,62,473
	<u>17,99,360</u>	<u>7,34,599</u>
<b>Other Bank balances</b>		
(a) In dividend accounts	71,240	71,240
(b) In deposits accounts with original maturity of more than 12 months	2,50,000	2,51,000
	<u>3,21,240</u>	<u>3,22,240</u>
	<b><u>21,20,600</u></b>	<b><u>10,56,839</u></b>

**13. Short-term Loans and Advances**

	<b>As at 31 March, 2017</b>	As at 31 March, 2016
Unsecured, considered good		
Interest free advances to employees	9,03,835	10,03,070
Balances with government authorities:		
(a) as tax deducted at source	20,59,036	28,73,767
(b) others	1,23,974	54,472
	<u>30,86,845</u>	<u>39,31,309</u>

**14. Revenue from Operations**

	<b>For the year ended 31 March, 2017</b>	For the year ended 31 March, 2016
<b>Continuing Operations</b>		
<b>Sale of Services</b>		
Video Recording and IVR set-up services	1,10,65,043	1,00,78,172
	<u>1,10,65,043</u>	<u>1,00,78,172</u>



## Virtualsoft Systems Limited

<b>15. Other Income</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Interest income from bank deposit	21,248	24,556
Other Interest received	24,269	30,403
Liabilities provision written back	-	2,29,975
Miscellaneous income	-	-
	<b>45,517</b>	<b>2,84,934</b>
<b>16. Purchase of Services</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Purchase	77,27,563	-
	<b>77,27,563</b>	-
<b>17. Employees benefit expenses</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Salaries and Wages	62,06,370	1,03,60,057
Contribution to provident and other funds	35,595	41,090
Staff welfare expenses	1,13,645	-
Provision for Gratuity	11,567	2,22,354
Leave Encashment	68,005	16,688
	<b>64,35,182</b>	<b>1,06,40,189</b>
<b>18. Other expenses</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Project expenses for recording etc.	2,78,378	2,07,562
Communication expenses	13,459	80,620
Rent including lease rent	11,52,300	11,60,950
Repairs and office maintenance	4,050	6,021
Rate, fees and subscription	1,23,932	1,43,906
Sales commission, discounts and rebates	-	15,006
Advertising, publicity and business promotion	15,572	46,292
Legal, professional and consultancy	13,54,747	10,01,418
Travelling and conveyance	82,443	2,06,875
Office supplies, printing and stationery	97,256	19,661
Payment to auditors as Audit fees		
- Statutory Audit fees	60,000	45,750
Bank charges	52,842	1,65,277
Other administrative expenses	5,83,6.02	5,05,862
	<b>38,18,581</b>	<b>36,05,200</b>
<b>19. Finance cost</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
Interest expenses		
-On term loans	25,301	42,600
-Service Tax & TDS	4,68,717	1,66,140
	<b>4,94,018</b>	<b>2,08,740</b>



**20. Depreciation and amortization**

	<b>For the year ended 31 March, 2017</b>	For the year ended 31 March, 2016
Depreciation on tangible assets	3,68,307	3,46,324
	<b>3,68,307</b>	<b>3,46,324</b>

**21 Corporate information**

Virtualsoft Systems limited is a listed company and having the presence in USA, U.K. Singapore and India. The vision of the company is to empower business and learning communities with rich “knowledge-on-demand”. Company is engaged in: Pioneering Broadband, Virtual Event & Providing Mobile Roaming Services & Solutions.

The Registered Office of the company is:- S-101, Panchsheel Park, New Delhi-110017 and Corporate Office is currently located at C-123, Okhla Phase -I, New Delhi- 110020

**22 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values .GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act 2013('Act ') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India(SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.in India (Indian GAAP). The financial statements have been prepared on accrual basis under the historical cost convention.

**23 Summary of significant accounting policies**

**23.1 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

**23.2 Inventories**

There is no closing stock of Inventory.

**23.3 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**23.4 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**23.5 Depreciation and amortization**

Depreciation has been provided on the straight-line method over the useful lives of assets estimated by the Mangement. Depreciation for asset purchased/sold during a period is propotionately charged except in respect of the following :

- a) No depreciation has been charged by the management on the Completion of CRM Software as is still under development.
- b) No depreciation has been charged by the management on the Website as is still under development.

**23.6 Revenue recognition**

**Sale of goods**

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

**Sale of services**

“Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred.”

**Other Income**

Interest income is accounted on accrual basis.

**23.7 Tangible fixed assets**

“Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.”

**23.8 Intangible assets**

“Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.”

**23.9 Foreign currency transactions and translations**

Initial recognition

Transactions in foreign currencies entered into by the Company at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

“Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.”

**Treatment of exchange differences**

Exchange differences arising on settlement of short-term foreign currency monetary assets and liabilities are recognized as income or expense in the Statement of Profit and Loss.

**23.10 Employee benefits**

Types of employee benefits

Employee benefits include Provident Fund, Gratuity fund, Compensated absences.

Liabilities with regard gratuity is determined the Management.

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

**23.11 Earnings per share**

“Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for

the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.”

#### **23.12 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is not recognised as virtual certainty does not exist.

No provision for taxes has been made in the Current year on account of brought forward losses.

#### **23.13 Provisions and Contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date, if any. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

#### **23.14 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

#### **23.15 Leases**

“Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.”

#### **23.16 Service Tax Input Credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

#### **23.17 Segment Information for the year ended 31st March, 2017**

“The Company is engaged in: Pioneering Broadband, Virtual Event & Providing Mobile Roaming Services & Solutions which is a single segment as per Accounting Standard (AS) 17 notified under the Companies (Accounting Standard) Rules, 2006 (as amended) by the Central Government. Company does not operate in other geographical areas other than India, hence there are no geographical segments required to be reported by the company”

#### **24. Disclosures under Accounting Standard 11 on “Effects on Change in Foreign Exchange Rates”**

- (a) Foreign currency exposure not hedged by any derivative instrument or otherwise is NIL
- (b) Outstanding forward contracts entered by the company for the purpose of hedging its foreign currency exposure  
The company do not hedge its foreign currency exposure, accordingly it does not have any outstanding forward contracts

#### **25. Disclosures under Accounting Standard 15 on “Employees benefits”**

The Company makes Provident Fund and EDLI contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 35,595/- (Year ended 31 March, 2017) for Provident Fund and EDLI contributions in the Statement of Profit and Loss.



The Company makes provision for leave encashment and Gratuity as per Management policy.

**26. Disclosures under Accounting Standard 19 on “Leases”**

(a) Total of minimum future lease payments under non-cancelable operating leases for various periods are as follows

	As of 31 March, 2017	As of 31 March, 2016
Amount payable not later than one year	4,95,000	11,04,300
Amount payable later than one year but not later than five years	11,25,000	19,28,988
Amount payable later than five years	-	-

(b) The company has entered into operating lease agreements that are renewable on a periodic basis and cancelable at company's option.

(c) The company has not entered into sublease agreements in respect of these leases.

(d) Total of minimum future lease payments under financial lease arrangement for certain vehicles for various periods are as follows:-

	As of 31 March, 2017	As of 31 March, 2016
Amount payable not later than one year	1,34,984	1,63,228
Amount payable later than one year but not later than five years	-	1,34,984
Amount payable later than five years	-	-

**27. Disclosures under Accounting Standard 18 on “Related Party Transactions”**

(a) **List of related parties**

(i) **Subsidiary Company**

Roam1 Telecom Limited

(ii) **Key Managerial Personnel (KMP)**

Mr. Gokul Tandan

(iii) **Enterprises over which KMP / Relatives of KMP can exercise significant influence**

V Reach Solutions Private Limited

Goto Customer Services Private Limited

Foundation Technologies Private Limited

Marble Arch Estates (P) Ltd.

(b) **Details of transactions carried out with related parties in the ordinary course of business during the period:**

Related Parties	Nature of Transaction	Ob/Liab Tfs Cr. (+ve)/ De.(-ve)	Payment	Laon Received	TDS	Closing Balance Cr. (+ve)/ De.(-ve)
(i) Subsidiary Company						
Roam1 Telecom Limited	Running Account	(20,64,029)	18,27,207	38,91,236	-	0.00
	CRM Development Charges	(21,18,695)	6,69,550	27,88,245	-	-
(ii) Key Managerial Personnel (KMP)						
Mr. Gokul Tandan	Unsecured Loan	12,81,59,750	7,00,000	1,29,50,000	-	14,04,09,750
	Interest Payable	5,35,481	-	-	-	5,35,481
	Remuneration Payable	9,54,977	-	-	-	9,54,977
(iii) Enterprises over which KMP / Relatives of KMP can exercise significant influence						
Foundation Technologies P Ltd.	Unsecured Loan	(61,90,488)	(61,90,488)	-	-	-
GOTO Customer Services Pvt. Ltd.	Unsecured Loan	(8,38,402)	-	-	-	(8,38,402)
Vreach Solution (P) Ltd.	Loan & Advances	1,54,485	-	-	-	1,54,485
Marble Arch Estate(P) Limited	Expenditures	-	(1,00,000)	1,00,000	-	-

**28. Disclosures under Accounting Standard 20 on "Earning per share"**

	As of 31 March, 2017	As of 31 March, 2016
For Basic/Diluted EPS		
<b>(a) Calculation of Weighted average number of equity shares</b>		
Number of shares at the beginning of the year	1,02,97,600	1,02,97,600
Equity Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	1,02,97,600	1,02,97,600
Equity Shares of Rs. 10/- outstanding for 248 days		
Equity Shares of Rs. 10/- outstanding for 365 days	1,02,97,600	1,02,97,600
Weighted average number of equity shares outstanding during the year	1,02,97,600	1,02,97,600
<b>(b) Net profit after tax available for equity shareholders</b>	<b>(77,33,091)</b>	<b>(44,37,347)</b>
Earning per share		
For Continuing Operations	(0.75)	(0.43)
For Total Operations	(0.75)	(0.43)

**29. Other disclosures as per Companies Act, 2013**

Pursuant to section 125 of the Companies Act 2013, dividends that are unpaid / unclaimed for a period of seven years or more from the date they become due for payment are required to be transferred to the Investors Education and Protection Fund (IEPF) administered by the central government. The following unpaid / unclaimed dividends have not been transferred to IEPF A/C.

Year	As of 31 March, 2017	As of 31 March, 2016
1997-98	43,850	43,850
1996-97	27,390	27,390
	71,240	71,240

**30. Other disclosures as per Schedule 3 of the Companies Act, 2013**

	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>(a) Expenditure in Foreign Currency (on accrual basis)</b>		
Services purchase	3,34,497	1,66,418
<b>(b) Earnings in Foreign Exchange (on accrual basis)</b>		
Income from foreign transactions	-	-

**31. Details of Specified Bank Notes (SBN) Held and Transacted during the period from 8th Nov 2016 to 30th December 2016**

	SBNs	Other Denominations Notes	Total
Closing Cash in hand as on 08-11-2016	-	1,07,635	1,07,635
(+) Permitted Receipts	-	85,000	85,000
(-) Permitted Payments	-	-	42,386
42,386			
(-) Amount Deposited in Banks	-	-	-
Closing Cash in hand as on 30-12-2016	-	1,50,249	1,50,249

**32. Going Concern Basis**

The Company has accumulated losses of Rs. 16,07,32,565/- as at 31st March, 2017 and its net worth as at that date is minus Rs. 5,77,56,565/-. Although these events or conditions may cast significant doubt on the Company's ability to continue as going concern, it has detailed plans for renewal of its operations. Accordingly the financial statements have been prepared on the basis that the company is a going concern and that no adjustment are required to the carrying value of assets and liabilities.

**33. Reconciliation and confirmations**

Balances of Debtors and Creditors and Loans and Advances to/ from parties, Security Deposits are subject to reconciliations and confirmations.

**34. Provision for tax**

In view of the carried forward losses, no provision for current tax have been made during the year. Provision for Deferred tax has also not been recognized in the Balance Sheet in view of the fact that there exists no virtual certainty supported by convincing evidence that there will be available sufficient future profits against which such deferred tax asset can be adjusted.

**35. Intangible assets under development**

The company is developing a CRM software called Live Webcast Suite for providing telecom services and a Website. No amount has been capitalized during the year. The management is of the opinion that since the process is still going on & hence no amortization is required during this year

**36. Previous year's figures**

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

**37. Prior period Items**

There is no material prior period items included in the statement of profit & loss required to be disclosed as per AS-5, notified by the Companies (Accounting Standard) rules, 2006.

**38. Others disclosures**

- (a) There are no Contingent liabilities as on the date of balance sheet.
- (b) As at year end, there was no amount due to any small scale industrial undertaking.
- (c) The company has not received any Government Grants during the year.
- (d) Figures are rounded off to nearest rupee.



## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Friday, September 29, 2017 at 9:00 a.m. at Ambika Palace, B-3/B, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi –110 053, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017 and the Profit & Loss Account for the year ended as on that date and the Reports of Auditors and Directors thereon.
2. To re-appoint Mr. Rajendra Virupaksha Kulkarni, Director who retires by rotation and being eligible, has offered himself for re-appointment.
3. To appoint M/s. Krishna Neeraj & Associates Chartered Accountants as Auditors of the Company for a period of 5 years & who shall hold the office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2022 pertaining to financial year 2021-22 and to authorize the Board of Directors to fix their remuneration.

**Registered Office:**

S-101, Panchsheel Park, New Delhi-110 017.

Dated: August 24, 2017

By Order of the Board of Directors

Gokul Tandan  
Managing Director  
Virtualsoft Systems Limited

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

2. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday September 23rd, 2017 to Friday September 29th, 2017 (both days inclusive).
4. Member are requested:
  - i. to kindly notify the change of address, if any to the Company/ the Registrar / Depository Participant.
  - ii. To bring their copy of the Annual Report,
  - iii. to deposit to duly completed attendance slip at the meeting

**Registered Office:**

S-101, Panchsheel Park, New Delhi-110 017.

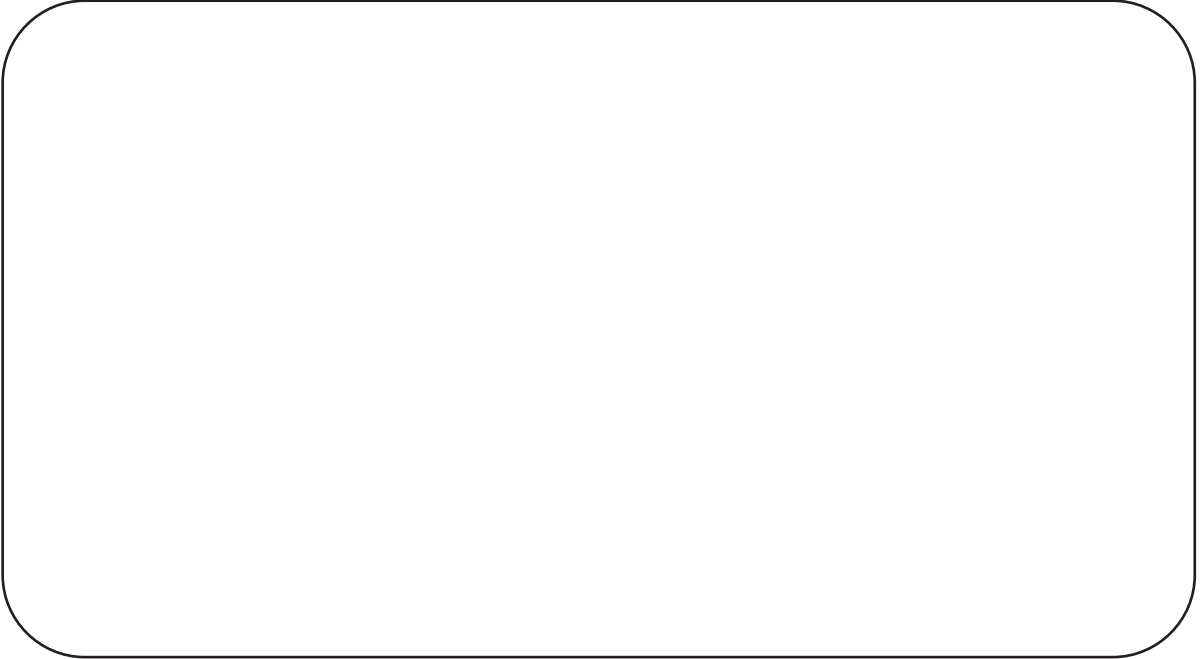
Dated: August 24th, 2017

By Order of the Board of Directors

Gokul Tandan  
Managing Director  
Virtualsoft Systems Limited



To,



*If undelivered, please return to :*  
**VIRTUALSOFT SYSTEMS LIMITED**  
S-101, Panchsheel Park, New Delhi-110017