

BM/15-16/2

May 30, 2016

**THE STOCK EXCHANGE MUMBAI,**

Phroze Jeejeebhoy Towers,

Dalal Street, Mumbai-400 011

(Script Code 531126)

**Kind Attn: S. Subraminian DCS-CRD**

**Sub: Meeting of the Board of Directors to take on record the Audited Financial Results of the Company for the year ended 31<sup>st</sup> March- 2016.**

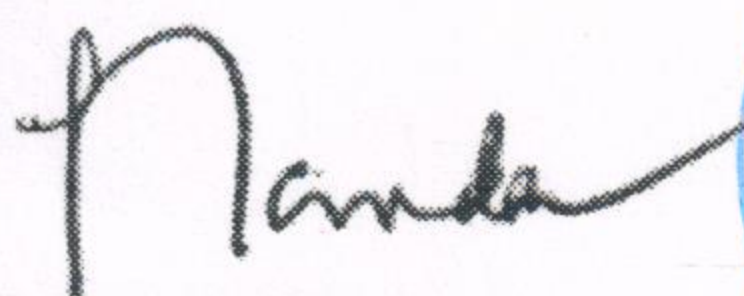
**Dear Sir /Madam,**

With reference to the above subject, pursuant to Regulation 33 read with regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the company, at its meeting held today i.e. May, 30<sup>th</sup> Monday, 2016, has taken on record the Standalone & Consolidated Audited Financial Results of the Company for the year ended 31st March, 2016 along with Audit Report, Segment Report, & Form-A.

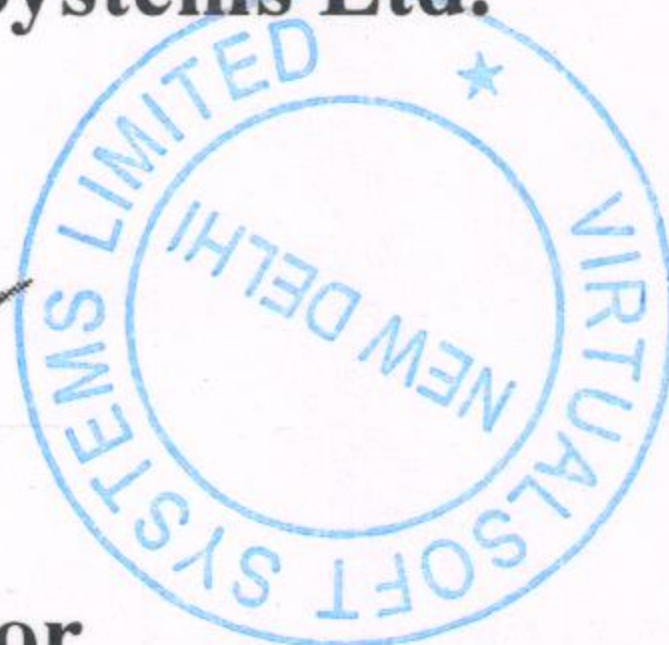
**Thanking you,**

**Yours faithfully,**

**For VirtualSoft Systems Ltd.**



**Gokul Tandan**  
**Managing Director**



**VIRTUALSOFT SYSTEMS LIMITED**

(CIN No.: L72200DL1992PLC047931)

Encl: As above



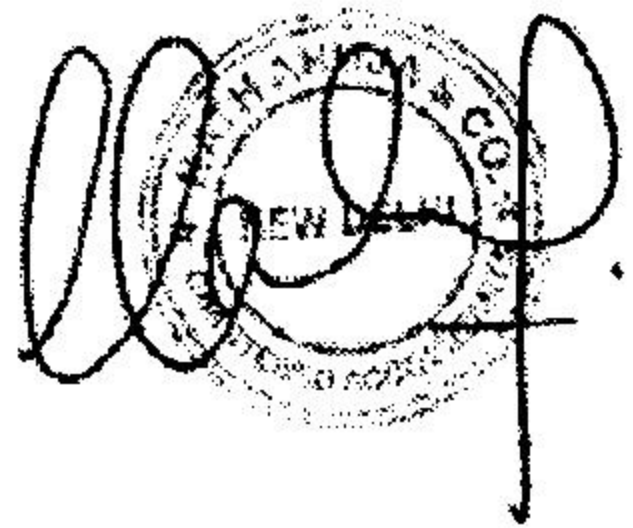

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Corp. Office: C-123, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020

T: +91 11 49305050, 42701491 | E: sales@virtsoft.com | W: www.virtsoft.com, www.vreach.net

**FORM A**

**Format of Covering Letter of the Annual Audit Report to Be Filed With the Stock Exchange**

1.	Name of the company	<b>VIRTUALSOFT SYSTEMS LIMITED</b>
2.	Annual financial statements for the year ended	<b>31<sup>st</sup> March 2016</b>
3.	Type of Audit observation	<b>Un-Qualified</b>
4.	Frequency of observation	<b>Not Applicable</b>
5.	To be signed by-	
	• CEO/Managing Director	 <b>Gokul Tandan</b> <b>Managing Director</b>
	• CFO	 <b>Athar Ahmad</b> <b>Chief Financial Officer</b>
	• Auditor of the company	 <b>Nath Ahuja &amp; Co.</b> <b>Chartered Accountant</b> <b>Membership No. 80178</b>
	• Audit Committee Chairman	 <b>Ashima Puri</b> <b>Chairman-Audit Committee</b>



*Nath Ahuja & Co.*  
*Chartered Accountants*

**INDEPENDENT AUDITORS' 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 31<sup>st</sup> March, 2016, the statement of profit and loss and the cash flow statement for the year ended 31<sup>st</sup> March 2016, 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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

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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 31<sup>st</sup> March, 2016 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. 31 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 31<sup>st</sup> March, 2016 Rs. -5,00,23,474/-). These events cast significant doubt on the ability of the Company to continue as a going concern.

Attention is invited to Note no. 34 under Explanatory Notes to Financial Statements regarding amortization of intangible assets. The company has not provided for amortization on completion of CRM Software and Website under development.

### **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 31<sup>st</sup> March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, 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:
- The Company does not have any pending litigations which would impact its financial position.
  - 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.
  - 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	43,850
1996-1997	27,390

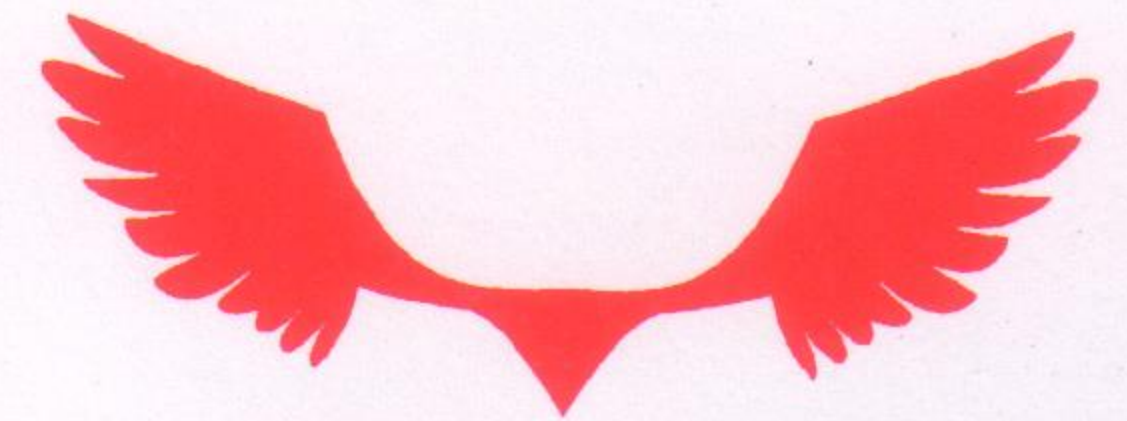
**For Nath Ahuja & Co.**  
Chartered Accountants  
Firm's Registration No. : 001083N

  
(N.N.AHUJA)  
Proprietor

Membership No. : 080178

New Delhi  
30<sup>th</sup> May, 2016

**Annexure - A to the Auditors' Report**



**VIRTUALSOFT**  
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SUMMARY OF ASSETS AND LIABILITIES AS AT 31ST MARCH- 2016				
CIN-L72200DL1992PLC047931				
	Standalone		Consolidated	
	Figure in Lacs)			
PARTICULARS	As At	As At	As At	As At
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>A Equity And Laibilities</b>				
<b>1.Shareholder's Funds</b>				
(a) Share Capital	1029.76	1029.76	1029.76	1029.76
(b) Recerve & Surplus	(1529.99)	(1480.62)	(1811.12)	(1389.99)
	<b>(500.23)</b>	<b>(450.86)</b>	<b>(781.36)</b>	<b>(360.23)</b>
<b>2 Minority Interest</b>	-	-	193.58	52.13
<b>3 Non -Current Liabilities</b>				
(a)Long Term Borrowings	1375.37	1352.84	2146.76	1941.54
(b)Other Long Term Borrowings	0.00	0.00	7.57	15.56
<b>4 Current Liabilities</b>				
(a) short Term borrowings	0.00	0.00	144.99	145.15
(b) Trade Payable	8.99	6.51	82.85	96.91
(c ) Other Current Liabilities	54.52	39.52	198.29	134.80
(d) Short term provisions	16.91	14.52	26.69	20.49
<b>TotalEquity And Laibilities</b>	<b>955.56</b>	<b>962.53</b>	<b>2019.37</b>	<b>2046.35</b>
<b>B Assets</b>				
<b>1 Non-Current Assests</b>				
(a)Fixed Assets	10.58	12.02	749.62	747.47
(b)Capital Work-in progress	45.11	45.11	968.83	955.33
(C)Investments	0.00	0.00	0.00	0.00
(D)Long Term Loans & Advances	28.90	46.19	37.57	18.55
(d)Other nonCurrent Assets	0.00	0.00		
<b>2 Curent Assets</b>				
(a) Current Investment	792.00	792.00	0.00	0.00
(b)Inventories	0.00	0.00	39.05	43.13
(c )Sundry Debtors	29.09	20.51	121.61	189.43
(d)Cash & Bank Balances	10.57	13.89	20.36	25.20
(e) Other Current Assets	0.00	0.00	0.00	0.00
(f)Short Term Loans and Advances	39.31	32.81	82.33	67.22
<b>Total Net Current Assets</b>	<b>955.56</b>	<b>962.53</b>	<b>2019.37</b>	<b>2046.35</b>

For VIRTUALSOFT SYSTEMS LTD.

*Nanda*

Gokul Tandan  
Managing Director



**VIRTUALSOFT SYSTEMS LIMITED**

(CIN No.: L72200DL1992PLC047931)

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## VIRTUALSOFT SYSTEMS LIMITED

Regd. Off: S-101 Panchsheel Park, New Delhi - 110017

### STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31,2016

(Figures in Lacs)

PARTICULARS	Three Months Period Ended			Nine Month Ended	Year Ended	
	31.03.2016	31.12.2015	31.03.2015	31.12.2015	31.03.2016	31.03.2015
	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	
<b>1. Income from Operations</b>						
a) Net Sales/ Income From Operations	28.14	25.61	25.70	72.64	100.78	105.97
b) Oter Opearting Income	0.00	0.00	0.00	0.00	0.00	13.87
<b>2. Expenses</b>						
a. Cost of Materials Consumed	0.00	0.00	0.00	0.00	0.00	0.00
b. Purchase of Stcok In Trade	0.53	0.20	0.83	1.55	2.08	3.02
c. Change in the inventories of Finished Goods, Work in Progress and Stock in Trade	0.00	0.00	0.00	0.00	0.00	0.00
d. Employee Benift Expenses	32.69	22.80	27.36	73.71	106.40	108.57
e. Depreciation & Amortisation expenses	1.22	0.79	0.61	2.24	3.46	3.11
f. Other expenditure	12.85	7.90	13.05	21.13	33.98	49.97
<b>g. Total</b>	<b>47.29</b>	<b>31.69</b>	<b>41.85</b>	<b>98.63</b>	<b>145.92</b>	<b>164.67</b>
<b>3. Profit from Operations before Other Income, Finance Cost Interest and Exceptional Items (1-2)</b>	<b>(19.15)</b>	<b>(6.08)</b>	<b>(16.15)</b>	<b>(25.99)</b>	<b>(45.14)</b>	<b>(44.83)</b>
4. Other Income	2.55	0.00	0.00	0.30	2.85	0.00
<b>5. Profit before Interest and Exceptional Items (3+4)</b>	<b>(16.60)</b>	<b>(6.08)</b>	<b>(16.15)</b>	<b>(25.69)</b>	<b>(42.29)</b>	<b>(44.83)</b>
6. Finance Cost	0.75	0.25	0.00	1.34	2.09	2.35
<b>7. Profit after Interest but before Exceptional Items (5-6)</b>	<b>(17.34)</b>	<b>(6.33)</b>	<b>(16.15)</b>	<b>(27.03)</b>	<b>(44.37)</b>	<b>(47.18)</b>
8. Exceptional items	0.00	0.00	0.00	0.00	0.00	(4.96)
<b>9. Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)</b>	<b>(17.34)</b>	<b>(6.33)</b>	<b>(16.15)</b>	<b>(27.03)</b>	<b>(44.37)</b>	<b>(52.14)</b>
10. Tax expense	0.00	0.00	0.00	0.00	0.00	0.00
<b>11. Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)</b>	<b>(17.34)</b>	<b>(6.33)</b>	<b>(16.15)</b>	<b>(27.03)</b>	<b>(44.37)</b>	<b>(52.14)</b>
12. Extraordinary Item (net of tax expense Rs.	0.00	0.00	0.00	0.00	0.00	0.00
<b>13. Net Profit(+)/ Loss(-) for the period (11-12)</b>	<b>(17.34)</b>	<b>(6.33)</b>	<b>(16.15)</b>	<b>(27.03)</b>	<b>(44.37)</b>	<b>(52.14)</b>
14. Share of Profit / (loss) of associates *	0.00	0.00	0.00	0.00	0.00	0.00
15. Minority Interest*	0.00	0.00	0.00	0.00	0.00	0.00
<b>16. Net Profit / (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13 + 14 + 15) *</b>	<b>(17.34)</b>	<b>(6.33)</b>	<b>(16.15)</b>	<b>(27.03)</b>	<b>(44.37)</b>	<b>(52.14)</b>
17. Paid-up equity share capital (Face Value of the Share shall be indicated)	1029.76	1029.76	1029.76	1029.76	1029.76	1029.76
18. Reserve excluding Revaluation	20.00	20.00	20.00	20.00	20.00	20.00
<b>19.(I) Earnings Per Share (before extraordinary items)( of Rs.10/-each(not annualised)</b>						
(a) Basic	(0.17)	(0.06)	(0.16)	(0.26)	(0.43)	(0.51)
(b) Diluted	(0.17)	(0.06)	(0.16)	(0.26)	(0.43)	(0.51)
<b>19.(II) Earnings Per Share (After extraordinary items)(of Rs.10/- each (not annualised)</b>						
(a) Basic	(0.17)	(0.06)	(0.16)	(0.26)	(0.43)	(0.51)
(b) Diluted	(0.17)	(0.06)	(0.16)	(0.26)	(0.43)	(0.51)

**NOTES**

- 1.) The above results were considered and taken on record by the board of directors in their meeting held on May 30, 2016
- 2.) Previous year figures have been re-classified & regrouped wherever necessary to confirm to the current year's classifications
- 4.) In view of broght forward losses the company, no provision for Income tax and Deffered tax assets has been created.
- 4.)The above results of VSSL as reviewed by audited committee and the Standlone financial have been approved by the Board at its Meeting held on 30th May 2016
- 5.)The above results were reviewed by Auditors.

*Gokul Tandan*  
Gokul Tandan  
Managing Director



New Delhi, May 30, 2016

**VIRTUALSOFT SYSTEMS LIMITED**

Regd. Off: S-101 Panchsheel Park, New Delhi - 110017

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31,2016**

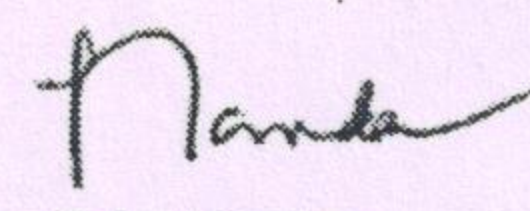
(Figures in Lacs)

PARTICULARS	Three Months Period Ended			Nine Month Ended	Year Ended	
	31.03.2016	31.12.2015	31.03.2015	31.12.2015	31.03.2016	31.03.2015
	(Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)	(Audited)
<b>1. Income from Operations</b>						
a) Net Sales/ Income From Operations	122.21	104.16	249.98	482.86	605.07	727.51
b) Oter Opearting Income	0.00	0.00	(18.44)	0.00	0.00	13.88
<b>2. Expenses</b>						
a. Cost of Materials Consumed	0.00	0.00	0.00	0.00	0.00	0.00
b. Purchase of Stcok In Trade	85.97	96.31	76.58	273.79	359.76	421.66
c. Change in the inventories of Finished Goods, Work in Progress and Stock in Trade	2.13	13.95	(25.00)	1.95	4.08	(23.34)
d. Employee Benift Expenses	112.32	94.01	175.25	284.95	397.27	416.12
e. Depreciation & Amortisation expenses	6.25	6.27	14.85	18.52	24.77	21.27
f. Other expenditure	87.75	79.62	123.02	217.81	305.56	326.57
g. Total	294.42	290.16	364.70	797.02	1091.44	1162.28
<b>3. Profit from Operations before Other Income, Finance Cost Interest and Exceptional Items (1-2)</b>	(172.21)	(186.00)	(133.16)	(314.16)	(486.37)	(420.89)
4. Other Income	(0.30)	0.00	0.00	0.30	0.00	0.00
<b>5. Profit before Interest and Exceptional Items (3+4)</b>	(172.51)	(186.00)	(133.16)	(313.86)	(486.37)	(420.89)
6. Finance Cost	63.12	8.51	40.52	24.63	87.75	51.99
<b>7. Profit after Interest but before Exceptional Items (5-6)</b>	(235.63)	(194.51)	(173.68)	(338.49)	(574.12)	(472.88)
8. Exceptional items	0.00	0.00	(4.96)	0.00	0.00	(4.96)
<b>9. Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)</b>	(235.63)	(194.51)	(178.64)	(338.49)	(574.12)	(477.84)
10. Tax expense	0.00	0.00	0.00	0.00	0.00	0.00
<b>11. Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)</b>	(235.63)	(194.51)	(178.64)	(338.49)	(574.12)	(477.84)
12. Extraordinary Item (net of tax expense Rs.	0.00	0.00	0.00	0.00	0.00	0.00
<b>13. Net Profit(+)/ Loss(-) for the period (11-12)</b>	(235.63)	(194.51)	(178.64)	(338.49)	(574.12)	(477.84)
14. Share of Profit / (loss) of associates *	0.00	0.00	0.00	0.00	0.00	0.00
15. Minority Interest*	0.00	0.00	0.00	0.00	0.00	0.00
<b>16. Net Profit / (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13 + 14 + 15) *</b>	(235.63)	(194.51)	(178.64)	(338.49)	(574.12)	(477.84)
17. Paid-up equity share capital (Face Value of the Share shall be indicated)	1029.76	1029.76	1029.76	1029.76	1029.76	1029.76
18. Reserve excluding Revaluation	20.00	20.00	20.00	20.00	20.00	20.00
<b>19.(I) Earnings Per Share (before extraordinary items)( of Rs.10/-each(not annualised)</b>						
(a) Basic	(2.29)	(1.89)	(1.73)	(3.29)	(5.58)	(4.64)
(b) Diluted	(2.29)	(1.89)	(1.73)	(3.29)	(5.58)	(4.64)
<b>19.(II) Earnings Per Share (After extraordinary items)(of Rs.10/- each (not annualised)</b>						
(a) Basic	(2.29)	(1.89)	(1.73)	(3.29)	(5.58)	(4.64)
(b) Diluted	(2.29)	(1.89)	(1.73)	(3.29)	(5.58)	(4.64)

NOTES

- The above results were considered and taken on record by the board of directors in their meeting held on May 30, 2016
- Previous year figures have been re-classified & regrouped wherever necessary to confirm to the current year's classifications
- In view of broght forward losses the company, no provision for Income tax and Deffered tax assets has been created.
- 
- The above results of VSSL as reviewed by audited committee and the consolidated financial have been approved by the Board at its Meeting held on 30th May 2016
- The above results were reviewed by Auditors.

New Delhi, May 30, 2016

  
**Gokul Tandan**  
 Managing Director



<b>Consolidated Segment Wise Revenue Results and Capital Employed Under Clause 41 of the Listing Agreement</b>		
(Figure in Lacs)		
PARTICULARS	As at 31.03.2016	As at 31.03.2016
<b>Segment Revenue (Net Sales)</b>		
(a) CRM Development	90.00	90.00
(b) Virtual Event & Demand Gen. Setrvices	10.78	29.84
<b>Total</b>	<b>100.78</b>	<b>119.84</b>
<b>Segment Results (Profit before Interest and Tax)</b>		
(a) CRM Development	(38.73)	(49.21)
(b) Virtual Event & Demand Gen. Setrvices	(5.64)	2.02
<b>Total</b>	<b>(44.37)</b>	<b>(47.19)</b>
<b>Segment Results (Exceptional Items)</b>		
(a) CRM Development	-	-
(b) Virtual Event & Demand Gen. Setrvices	-	(4.96)
<b>Segment Results (Profit/ (loss) before exceptional items and tax)</b>		
(a) CRM Development	(38.73)	(49.21)
(b) Virtual Event & Demand Gen. Setrvices	(5.64)	(2.94)
<b>Total</b>	<b>(44.37)</b>	<b>(52.15)</b>
Less : Unallocated Interest and Financial Expenses	0.00	0.00
<b>Profit Before Tax</b>	<b>(44.37)</b>	<b>(47.19)</b>
<b>Capital Employed</b>		
(a) CRM Development	87.94	49.21
(b) Virtual Event & Demand Gen. Setrvices	412.29	401.65
<b>Total</b>	<b>500.23</b>	<b>450.86</b>

For VirtualSoft Systems Limited


**Gokul Tandan**  
Managing Director

**VIRTUALSOFT SYSTEMS LIMITED**

(CIN No.: L72200DL1992PLC047931)

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