

Media Release

Parle Software Limited adopts the strategic management action to maximize the wealth by enjoying the share of profits from its associates who are engaged in software development activities.

Mumbai, November 28th 2008: The company was engaged into the software development activities and as on the financial year ended 31st July,2008 the company had deployed the major part of its capital investment in the software business by way of capital expenditure in fixed assets and to meet the day to day working capital requirements. During the First quarter ended 31st October 2008, the management has successfully completed the trial run and has taken the strategic management action for carrying out the software development activities exclusively through its associates Samay Techno Corp and Universal Technologies.

This strategic management action was taken by the company with the objective of wealth maximization and to mitigate the business risks imposed by the uncertain economic conditions in the country and current global turmoil situation.

The revenues to the company will accrue from its associates by way of its share of profit which will be recognized at the year end as per principles and procedures for consolidation as laid out in the Accounting Standard - 23 (AS-23) issued by the Institute of Chartered Accountants of India (ICAI)/ Company (Accounting Standards) Rules, 2006.

The rationale behind this strategic management action is mainly:

- To mitigate the risk due to uncertain economic conditions prevailing in the country and the economic slowdown in U.S.A. and other developed countries all over the world.
- Company's IT & IT enabled facilities will now be put to use by the associates and the same would be treated as capital contribution of the company in the associates. This would yield substantial revenue and entitle the company for share of profits from its associates.
- Associates to meet the working capital requirements out of their own funds. Thus saving the company from the burden of funding the working capital requirements of the software business of its associates.
- To result in substantial saving of financial expenses.
- To make available to the company substantial amount of cash surplus in the balance sheet over a period of time.
- To create a platform for the company to invest the available cash surplus into new ventures subject to the viability of the project at that point of time, thereby creating new revenue generating streams for the company.
- To result into efficient management of software business as Samay Techno Corp will be looking after software development business whereas Universal Technologies will be looking after Software Project implementations.
- These associates will be professionally managed by U.S.-based 'Samay' group.

The company has also entered into a strategic tie up in U.S.A. with Samay Technologies Inc. by handing over the software source code for customization of software as per client specifications. The company will be receiving fixed license fees per annum. The Management feels that this move will help the company in the long run as the company is trying to secure its fixed income to cover the fixed expenses. The Management is even ready to look out for any other tie-ups in the future. All the aforesaid arrangements will be reviewed at appropriate times.

About Parle Software Limited (PSL)

Parle Software Limited (PSL) was incorporated as Private Limited Company on 15th January, 1983 under Companies Act, 1956 as "Express Bottlers Service Private Limited", then , promoted by Parle Bisleri Group.

PSL was engaged in the software development activities and providing information technology related Services to its esteemed clients in India and through its strategic partner, to countries like U.S.A, U.K., & Far East countries like Hong Kong. For the effective overseas marketing, the company has its own overseas office in Manhattan U.S.A.