

# **20<sup>th</sup> Annual Report 2014-2015**

## **SOFCOM SYSTEMS LIMITED**

**D-36, Subhash Marg, Sheel Mohar Apartment,  
C-Scheme, Jaipur-302001**

**Phone: 0141-2340221/2370947**

**Email:- [sofcomsystemsLtd@gmail.com](mailto:sofcomsystemsLtd@gmail.com)**

**CIN NO. L72200RJ1995PLC010192**

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## **SOFCOM SYSTEMS LIMITED**

### **BOARD OF DIRECTORS**

Managing Director / Directors	Mr. Kishore Mehta Mr. Arnab Banerjee Mr. Nawratan Mall Mehta Mrs. Asha Mehta Mr. Krishnanand Parmanand Pant Mr. Sanjay Kumar Verma
Auditors	M/S. R. Mohnot & Co., Chartered Accountants
Company Secretary	Gaurav Kaushik
Bankers	ING Vysya Bank Limited
Registered Office	Sofcom Systems Limited, D-36, Subhash Marg, Sheel Mohar Apartment, C-Scheme, Jaipur-302001
Phone:	0141-2340221/2370947
Registrar and Transfer Agent	Sharex Dynamic (India) Private Ltd Unit No.1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E) Mumbai-400 072

**NOTICE**

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the members of Sofcom Systems Limited will be held as per the schedule below:

Date	:	30 <sup>th</sup> September, 2015
Day	:	Wednesday
Time	:	11.00 A.M.
Place	:	D-36, Subhash Marg, Sheel Mohar Apartment, C -Scheme, Jaipur-302001

To transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Asha Mehta who retires by rotation and being eligible, offers himself for reappointment.
3. **Appointment of Auditors**

To appoint Auditors M/S R Mohnot & Co., Chartered Accountants,(Firm Registration No. 001654C) as Auditors of the company and to fix their remuneration.

**“RESOLVED THAT** pursuant to Sec. 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/S R Mohnot & Co., Chartered Accountants,(Firm Registration No. 001654C) situated at C-68, Lal Kothi Scheme, Jaipur-302015, Rajasthan be and is hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting), to audit the accounts of the Company, including

audit of cash flow statements, at such a remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**Date: 08.09.2015**

**Registered Office**

**D-36,Subhash Marg, Flat No. 802,  
Sheel Mohar Apartment,  
C-Scheme, Jaipur**

**BY ORDER OF THE BOARD**

**Sd/-**

**Gaurav Kaushik  
(COMPANY SECRETARY)**

## **NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not to be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2015 to 30<sup>th</sup> September, 2015 both days inclusive.
3. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant (DP), changes intimated to the DP will then be automatically corrected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents "Sharex Dynamic (India) Private Ltd." to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Sharex Dynamic (India) Private Ltd.
4. Members are requested to lodge the transfer, transmission of shares at the registered office or to the Registrar & Share Transfer Agent M/s.Sharex Dynamic India (P) Ltd, Unit No.1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai- 400 072 and to inform any change in their address immediately so as to enable the company to do future communications at their correct address.
5. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL on all resolutions set forth in this Notice. The business at the Annual General Meeting shall be transacted through electronic voting system.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27<sup>th</sup> September 2015 (9 a.m.) and ends on 29<sup>th</sup> September 2015 (6 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li><li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>
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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **Sofcom Systems Limited** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
6. Additional particulars of Directors retiring by rotation and eligible for re-appointment pursuant to Clause 49 of the Listing Agreement are mentioned separately in this Annual Report.
7. Members desiring any information as regards to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

8. Members desirous of making a nomination in respect of their shareholding, as per Section 72 of the Companies Act, 2013, are requested to write to the Share Transfer Agents of the Company for the prescribed format.

**Date: 08.09.2015**

**BY ORDER OF THE BOARD**

**Registered Office**

**For Sofcom Systems Limited**

**D-36,Subhash Marg, Flat No. 802,  
Sheel Mohar Apartment,  
C-Scheme, Jaipur**

**Sd/-  
Gaurav Kaushik  
(COMPANY SECRETARY)**

# SOFCOM SYSTEMS LIMITED

Regd. Office: D-36, Subhash Marg, Flat No. 802, Sheel Mohar  
Apartment, C-Scheme, Jaipur.

## Board's Report

To,  
The Members of  
Sofcom Systems Limited

Your Director's have immense pleasure in presenting the 20<sup>th</sup> Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31<sup>st</sup> March, 2015.

### 1. Financial Highlights

(In Rs.)		
Particulars	2014-2015	2013-14
Gross Income	52955444	1384000
Net Profit Before Tax	488872	364798
Provision for Tax	88401	31000
Net Profit After Tax	400471	33798
Surplus carried to Balance Sheet	400471	333798
EPS Basic	.10	.08
EPS Diluted	.10	.08

#### (i) Results Of Operations:

Total revenues earned during the year amounted to Rs. 529.55 lacs as compared to that of Rs. 13.84 Lacs in the previous financial year. The profit before tax showed a marginal increase from Rs. 3.64 lacs during the last financial year to Rs. 4.88 lacs in the current financial year.

#### (ii) Business Operations:

##### (1) Software Services:

During the year, there was an increase of approximately 50% in the income from sale of software. The revenue generated from this segment during the Financial Year 2014-15 was Rs. 7.65 lacs as against Rs. 5.00 lacs during the previous financial year.

##### (2) Sale of Trading of Goods

During the year there was an income of Rs. 5.16 crores from trading of goods which accounted for nearly 97% of the total of revenue of the company during the year.

##### (3) Service Income:

During the year, there was a decrease in the income from consultancy services. The revenue generated from this segment during the Financial Year

2014-15 was Rs. 4.98 lacs as against Rs. 8.84 lacs during the previous financial year

**(4) Future Outlook**

The company aims to explore other fields and platforms for software development and services. However, it has not identified any are in particular.

**2.Dividend**

With the view to conserve the resources of company the directors are not recommending any dividend for the financial year 2014-15.

**3.Amounts Transferred To Reserves**

The Board of the company has not proposed to transfer any amount to its reserves.

**4. Information About Subsidiary/ Jv/ Associate Company**

- (i) The company has an associate company – Abok Springs Private Limited
- (ii) Related Party Transactions- During the year under review, the Company has not entered into any contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013.

**5. Transfer Of Unclaimed Dividend To Investor Education And Protection Fund**

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

**6. Listing Of Shares**

The shares of your Company are listed at Bombay Stock Exchange.

**7. Material Changes And Commitments**

As on the date of this report, no material changes and commitments affecting the financial position of the Company have occurred, between the end of the financial year to which this financial statements relate.

**8. Extract Of Annual Return**

An Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure:B)**

**9. Directors' Responsibility Statement**

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2015, 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, have down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **10. Auditor's**

### **(i) Statutory Auditors And Auditor's Report**

M/s R. Mohnot & Co., Chartered Accountants (FRN 001654C), Jaipur were appointed as Statutory Auditors for a period of three years in the Annual General Meeting held on 24<sup>th</sup> September 2014 and whose office shall be ratified by the members at every Annual General Meeting. The members are requested to ratify their appointment.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal and information.

### **(ii) Secretarial Audit Report**

The Secretarial Audit Report as provided by M/s Megha Khandelwal & Associate, Company Secretaries for the financial year ended, 31<sup>st</sup> March, 2015 is annexed herewith for your kind perusal and information. **(Annexure: B)**

The observations and comments given by Secretarial Auditor in its report are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

### **11. Loans, Guarantees And Investments**

During the year under review, there were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013.

### **12. Conservation Of Energy, Technology Absorption And Foreign Exchange Outgo:**

#### **(i) Conservation of energy and Technology absorption**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

#### **(ii) Foreign exchange earnings and Outgo**

There were no foreign exchange earnings and outgo during the year under review.

### **13. Directors/Key Managerial Persons**

#### **(i) Re-appointments**

As per the provisions of the Companies Act 2013, Mrs. Asha Mehta who will retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

#### **(ii) Appointment/Cessation**

There is no change in the constitution of the Board of Director during the financial year 2014-15.

Independent Director has given declaration that he meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

#### **(iii) Annual evaluation**

Pursuant to the provisions of the Companies Act, 2013, and the listing agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Investor Grievances Committees.

#### **(iv) Manner of evaluation**

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

**(v) Meetings**

During the year 4 (four) Board Meetings, 1 (one) Nomination & Remuneration Committee, 4 (four) Audit Committee and 1(one) shareholders/investors grievance committee were convened and held. The gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**(vi) Committees of the Board**

A detailed note on the Board and its committees is provided under the Corporate governance report section in this Annual Report. The composition of the committee's is as follows:

**(I) Audit Committee:**

<u>Composition</u>	<u>Category of Director</u>
1. Krishnanand Parmanand Pant (Chairman)	Non-Executive Independent Director
2. Sanjay Kumar Verma (Member)	Non-Executive Independent Director
3. Arnab Banerjee (Member)	Non-Executive Independent Director

**(II) Shareholder's Grievance Committee:**

<u>Composition</u>	<u>Category of Director</u>
1. Krishnanand Parmanand Pant (Chairman)	Non-Executive Independent Director
2. Sanjay Kumar Verma (Member)	Non-Executive Independent Director
3. Arnab Banerjee (Member)	Non-Executive Independent Director

**(III) Remuneration Committee:**

<u>Composition</u>	<u>Category of Director</u>
1. Krishnanand Parmanand Pant (Chairman)	Independent Director
2. Sanjay Kumar Verma (Member)	Independent Director
3. Arnab Banerjee (Member)	Independent Director

**(vii) Nomination and Remuneration Policy**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management. As the company is virtually an inactive company, no remuneration is paid to the Directors.

#### **14. Deposits**

The company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules), 2014, during the year.

#### **15. Corporate Social Responsibility**

The Company has not constituted Corporate Social Responsibility Committee as it does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### **16. Ratio of remuneration to each director**

In view of inadequate profits, no remuneration is paid to the Directors.

#### **17. Particulars of Employees**

- (i) None of the employees of the company was in receipt of the remuneration exceeding the limits prescribed u/s 197 (12) read with rule 5, sub-rule 2 of The Companies (Appointment and Remuneration of Managerial Personnel) of the Companies Act, 2013 during the year under review.
- (ii) None of the Director's was paid remuneration during the financial year under review.

The Company does not have any material information to report in accordance to Rule 5, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **18. Corporate Governance**

Report on Corporate Governance along with the Certificate of the Auditors, M/s. R. Mohnot & Co., Chartered Accountants, Jaipur confirming compliance of conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges forms part of the Board Report.

#### **19. Vigil Mechanism**

The Company has established a vigil mechanism for grievances redressal of Directors and Employees of the Company which will help in reporting genuine concerns or grievances of Directors and Employees. **(Annexure C)**

#### **20. Shares**

During the Financial Year 2014-15, there was no change in the share capital of the Company

- a. **Buy Back:** The Company has not bought back any of its securities during the year.



- b. **Sweat Equity**: The Company has not issued any Sweat Equity Shares during the year.
- c. **Bonus Shares**: No Bonus Shares were issued during the year.
- d. **Employees Stock Option Plan**: The Company has not provided any Stock Option Scheme to the employees.

## **21. Internal Control Systems**

The Company has put in place an adequate system of internal control commensurate with its size, scale, complexity and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Audit Committee reviews adherence to internal control systems and internal audit reports.

## **22. Risk Management Policy**

The Company has its Risk Management Policy to identify and deal with the risks and threats that could impact the organization. Risk Management Policy is available for inspection at the Registered Office of the Company during business hours on any working day.

## **23. Significant and material orders passed by the Regulators or Courts**

There are no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

## **24. Acknowledgement**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

**For & on behalf of the Board of Directors**

**Date:**30.05.2015

(Kishore Mehta)

(Nawratan Mal Mehta)

**Place:**Jaipur

DIN : 00043865

DIN : 00858126

(Managing Director)

(Director )

**Annexure - B to Director's Report****Form No. MGT -9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March 2015****[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	L72200RJ1995PLC010192
ii) Registration Date	09TH JUNE 1995
iii) Name of the Company	SOFCOM SYSTEMS LIMITED
iv) Category / Sub Category of the Company	Company Limited by Shares
v) Address of the Registered office and Contact details	D 36 SUBHASH MARG, FLAT No. 802, SHEEL MOHAR APARTMENT, C-Scheme JAIPUR-302001
vi) Whether listed company (Yes / No)	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Sharex Dynamic (India) Private Limited Unit No. 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai- 400 072, Maharashtra Tel.: 022-28515606/44 Fax: 022-28512885 E-mail: sharexindia@vsnl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service (As per NIC - 2004)	% of total turnover of the Company
1.	Other software consultancy and supply	7229	100.00%

**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	ABOK SPRING PRIVATE LIMITED 101/103, JHOTWARA, INDUSTRIAL AREA, JAIPUR-6 , 302012	U27102RJ196 9PTC001280	Associate	35.58 %	2(6) of Companies Act, 2013

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	3,016,600	-	3,016,600	72.60	3,016,600	-	3,016,600	72.60	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):</b>	<b>3,016,600</b>	<b>-</b>	<b>3,016,600</b>	<b>72.60</b>	<b>3,016,600</b>	<b>-</b>	<b>3,016,600</b>	<b>72.60</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>3,016,600</b>	<b>-</b>	<b>3,016,600</b>	<b>72.60</b>	<b>3,016,600</b>	<b>-</b>	<b>3,016,600</b>	<b>72.60</b>	<b>-</b>

Form No. MGT - 9 (Continued.....)

<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>									-
<b>a) Bodies Corporate</b>									-
i) Indian	751,000	-	751,000	18.07	751,531	-	751,531	18.09	0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11,330	2,125	13,455	0.32	10,700	2,125	12,825	0.31	(0.01)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	175,670	198,275	373,945	9.00	175,670	198,275	373,945	9.00	-
<b>c) Others (NRI + others)</b>	-	-	-	-	99	-	99	0.00	-
<b>Sub-Total (B)(2):</b>	938,000	200,400	1,138,400	27.40	938,000	200,400	1,138,400	27.40	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>938,000</b>	<b>200,400</b>	<b>1,138,400</b>	<b>27.40</b>	<b>938,000</b>	<b>200,400</b>	<b>1,138,400</b>	<b>27.40</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3,954,600</b>	<b>200,400</b>	<b>4,155,000</b>	<b>100.00</b>	<b>3,954,600</b>	<b>200,400</b>	<b>4,155,000</b>	<b>100.00</b>	<b>-</b>

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Shri Kishore Mehta	2,758,000	66.38	-	2,758,000	66.38	-	-
2.	Smt Asha Mehta	258,600	6.22	-	258,600	6.22	-	-
	<b>Total</b>	<b>3,016,600</b>	<b>72.60</b>	<b>-</b>	<b>3,016,600</b>	<b>72.60</b>	<b>-</b>	<b>-</b>

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
	At the beginning of the year	3,016,600	72.60	3,016,600	72.60
	Datewise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	NIL	NIL
	At the end of the year	3,016,600	72.60	3,016,600	72.60

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year		
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	
1	Crystal Mine O Gems Private Limited	195000	4.69		195000	4.69	
2	Jalak Kamal Jain	175670	4.22		175670	4.22	
3	Manmohan Gems Private Limited	175000	4.21		175000	4.21	
4	Prime Mine O Jewels Private Limited	196000	4.72		196000	4.72	
5	Samkit B Jain	198275	4.77		198275	4.77	
6	Sethia Gems Private Limited	185000	4.45		185000	4.45	
		1,124,945		27	1,124,945		27

\* Holding of securities of persons belonging to "Public" category holding more than 1% of the total number of shares

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	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.	<b>Shri Kishore Mehta</b>				
	At the beginning of the year	2,758,000	66.38	2,758,000	66.38
	Datewise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	NIL	NIL
	At the end of the year	2,758,000	66.38	2,758,000	66.38
2.	<b>Smt Asha Mehta</b>				
	At the beginning of the year	258,600	6.22	258,600	6.22
	Datewise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	NIL	NIL
	At the end of the year	258,600	6.22	258,600	6.22

Form No. MGT - 9 (Continued.....)

**V. INDEBTEDNESS :**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	28,720,976	-	-	28,720,976
Reduction	-	-	-	-
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	28,720,976	-	-	28,720,976
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>28,720,976</b>	-	-	<b>28,720,976</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

Sr. No.	Particulars of Remuneration	Name of Directors	Name of Directors	Total Amount
1.	Gross Salary			
	(a) Salary as per Provisions contained in section 17(1) of Income Tax Act, 1961	-	-	-
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of Profit	-	-	-
	- Others, specify...	-	-	-
5.	Others, Please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

### B. Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		----	----	----	
1.	Independent Directors	NIL	NIL	NIL	NIL
	- Fees for attending board / committee meetings	NIL	NIL	NIL	NIL
	- Commission	NIL	NIL	NIL	NIL
	- Others, Please specify	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2.	Other Non-Executive Directors	NIL	NIL	NIL	NIL
	- Fees for attending board / committee meetings	NIL	NIL	NIL	NIL
	- Commission	NIL	NIL	NIL	NIL
	- Others, Please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B) = (1 + 2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL

**Form No. MGT - 9 (Continued.....)**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total Amount
1.	Gross Salary	NIL	NIL	NIL	NIL
	(a) Salary as per Provisions contained in section 17(1) of Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL	NIL
	- as % of Profit	NIL	NIL	NIL	NIL
	- Others, specify...	NIL	NIL	NIL	NIL
5.	Others, Please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	NIL	NIL	NIL	NIL

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)
<b>A. COMPANY</b>					
Penalty	None				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	None				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None				
Punishment					
Compounding					

By the order of the Board of Directors

(Kishore Mehta)  
Director  
DIN:- 00043865

JAIPUR  
DATE: 30.05.2015

(Nawratan Mall Mehta)  
Director  
DIN:- 00858126



**Megha Khandelwal & Associates**  
Company Secretaries

“Shree Dham”  
R-20, Yudhister Marg, C-scheme,  
Jaipur-302001  
☎ +91-99503-69141  
☎ +91-141-401-8502/03/04  
✉ megha.khandelwal09@gmail.com

**Annexure IV**  
Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2015

*[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 Members,**  
**Sofcom System Ltd.,**  
**CIN: L72200RJ1995PLC010192**  
**D-36, Subhash Marg, Flat No. 802**  
**Sheel Mohar Apartment, C-Scheme**  
**JAIPUR- 302001**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sofcom Systems Ltd. (CIN: L72200RJ1995PLC010192)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (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; - **(Not Applicable to the Company during the Audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit period)**
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not Applicable to the Company during the Audit period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not Applicable to the Company during the Audit period)**

I have also examined compliance with the applicable clauses of The Listing Agreements entered into by the Company with Stock Exchanges.

During the audit period under review and as per information and clarifications provided by the management, I hereby confirm that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above subject to the observations as mentioned hereinabove.

**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. No changes took place in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, *agenda and detailed notes on agenda were not sent at least seven days in advance.*

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

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

**For**  
**Megha Khandelwal and Associates**  
**(Company Secretaries)**

Megha Khandelwal  
Proprietor  
M. No. 35990  
C.P. No. 13405

Place: Jaipur  
Date: September 08, 2015

## Annexure

### REPORT ON CORPORATE GOVERNANCE

#### **CORPORATE GOVERNANCE PHILOSOPHY**

The company is committed to ensure high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times.

#### **1. BOARD OF DIRECTORS**

##### **a) Composition**

The Board consists of 6(six) Directors as on 31<sup>st</sup> March 2015. The composition of the Board is in conformity with Clause 49 of the listing agreement. The day-to-day management of the company was carried on by the Mr. Kishore Mehta, Managing Director of the company.

Details of the composition and the category of directors are stated below:

<b>Name of the Director</b>	<b>Designation</b>	<b>DIN</b>
Kishore Mehta	Managing Director: Executive	00043865
Arnab Banerjee	Non-Executive: Independent	00858108
Nawratan Mall Mehta	Non-Executive: Non-Independent	00858126
Asha Mehta	Non-Executive: Non-Independent	00043841
Krishanand Paranand Pant	Non-Executive: Independent	06844490
Sanjay Kumar Verma	Non-Executive: Independent	06844513

All independent directors possess the requisite qualifications and are very experienced in their own fields. All Directors except the managing director and Independent Directors are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

**The details of other chairmanship / directorship / committee membership** (Only the membership(s) of Audit Committee and Shareholders' Committee other than Sofcom Systems Limited are considered as per Clause 49 of the Listing Agreement ) of each Director as on 31<sup>st</sup> March 2015 is given below:

Name of Director	Category	No. Directorship in other companies		No. of Committee Memberships in other companies	
		Chairman	Member	Chairman	Member
Kishore Mehta	Managing Director: Executive	Nil	Nil	Nil	Nil
Arnab Banerjee	Non-Executive: Independent	Nil	Nil	Nil	Nil
Nawratan Mall Mehta	Non-Executive: Non-Independent	Nil	Nil	Nil	Nil
Asha Mehta	Non-Executive: Non-Independent	Nil	Nil	Nil	Nil
Krishanand Paranand Pant	Non-Executive: Independent	Nil	Nil	Nil	Nil
Sanjay Kumar Verma	Non-Executive: Independent	Nil	Nil	Nil	Nil

Notes:

1. Other directorships exclude foreign companies, private limited companies and alternate directorships.
2. Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

### C. Board Meetings and Attendance at Board Meetings

The Board met four times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The relevant details are as under:

S. No	Date	Board Strength	No. of Directors present
1	28-05-2014	6	6
2	20-08-2014	6	4
3	22-11-2014	6	6
4	28-02-2015	6	5

### Attendance of each Director at Board Meetings and at previous Annual General Meeting (AGM)

S. No	Name	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1.	Kishore Mehta	4	4	Present
2.	Asha Mehta		4	Present
3.	Arnab Banerjee		2	Absent
4.	Nawratan Mall Mehta		3	Present
5.	Krishanand Parmanand		4	Present
6.	Pant Sanjay Kumar Verma		4	Present

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

**3. COMMITTEES OF THE BOARD:** Currently, the Board of the Company has three sub-committees namely Audit Committee, Nomination & Remuneration Committee and Shareholders' Relationship Committee. Minutes of the Meetings are signed by the Chairman of the Committees within thirty days of meeting held. The Board of Directors of the Company also takes note of the minutes of the Committee Meetings at its Meetings.

**(a) AUDIT COMMITTEE**

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of auditor(s). The committee also looks into those matters specifically referred to it by the Board.

As on 31<sup>st</sup> March 2015 the committee comprised of three independent directors, all of whom are financially literate and have relevant finance / audit exposure. The company secretary acts as the secretary to the committee. The audit committee met 4 (four) times during the year on 27-05-2014, 19-08-2014, 21-11-2014 & 27-02-2015. The details are as follows:

**Composition and Attendance of each Director at Audit Committee Meetings**

Name of the Director	No. of audit committee meetings attended
1.Mr. Krishnanand Parmanand Pant- Chairman	4 4
2.Mr. Sanjay Kumar Verma - Member	4
3.Mr. Arnab Banerjee - Member	

**(b) NOMINATION AND REMUNERATION COMMITTEE**

**(I) Brief description of role of the committee include:**

- (i) To identify persons who are qualified to be appointed as Directors, key managerial persons and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board.

- (ii) Fixation of remuneration of directors, key managerial personnel and other employees;
- (iii) Formulation of criteria for evaluation of Independent Directors and the Board;
- (iv) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (v) any other works and policy related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

**(II) Composition of committee, meeting held and attendance of members**

Sl.No.	Name of Director and position	Meeting/ Attendance
		19.08.2014
1	Mr. Krishnanand Parmanand Pant- Chairman	Present
2	Mr. Sanjay Kumar Verma – Member	Present
3	Mr. Arnab Banerjee – Member	Present

The Remuneration Committee comprises of non-executive and independent directors. The company secretary is the secretary to the committee. During the financial year 2014-2015 the committee met on 19.08.2014.

**(III) Nomination & Remuneration Policy:**

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down criteria for determining qualifications, attributes and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (e) Fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.
- (f) The remuneration, if any, paid to Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required.

**(c) Shareholder’s Grievance Committee:**

The Company has a stakeholder / investors grievance committee of directors to look into the redressal of complaints of investor such as transfer or credit of shares, non-receipt of dividend / notice / annual reports, revalidation of dividend DD etc.

The Committee deals with the following matters:-

- (i) Noting transfer/transmission of shares.
- (ii) Review of dematerialized/rematerialized shares and all other related matters.

- (iii) Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- (iv) Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.
- (v) All other matters related to shares/debentures.

**Composition of committee , meetings and attendance of members**

Sl. No.	Name of Director and position	Meeting/ Attendance
		19.08.2014
1	Mr. Krishnanand Parmanand Pant- Chairman	Present
2	Mr. Sanjay Kumar Verma – Member	Present
3	Mr. Arnab Banerjee – Member	Present

The committee meets as and when there is any matter of concern of the committee such share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc.

**Name and Designation of Compliance Officer:** The Company Secretary of the Company Mr. Gaurav Kaushik acts as the Secretary of the Committee.

**(ii) Details of Complaints received and resolved: NIL**

The company that they had commenced processing of investor complaints in a web based complaints redress system “SCORES”. Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

However, there were no complaints received during the year.

**4. Meeting Of Independent Directors:**

The Independent Directors of the Company meet to review the performance of non-Independent Directors and the Board as a whole.

**5. Remuneration Paid To Directors**

No remuneration was paid to any of the Directors during the financial year 2014-15.

**a) Details of Remuneration paid to the Directors during the financial year 2014-2015 – NIL**

**b) Details of Sitting Fees paid to Non-Executive Directors during the financial year: NIL**

**c) Details of shareholding of Directors as on 31st March 2015**

As on 31st March 2015, the company had one executive directors and five non-executive directors.



## 6. Annual General Meetings And Extraordinary General Meeting

The details of the Annual General Meetings held in the last three years are as follows:

Annual General Meetings of the Company:

Venue	Financial Year	Date
Flat No. 802, D 36 Sheel Mohar Apartment, Subhash Marg, C-Scheme, Jaipur	2011-2012	11 <sup>th</sup> September, 2012
Flat No. 802, D 36 Sheel Mohar Apartment, Subhash Marg, C-Scheme, Jaipur	2012-2013	09 <sup>th</sup> August 2013
Flat No. 802, D 36 Sheel Mohar Apartment, Subhash Marg, C-Scheme, Jaipur	2013-2014	24 <sup>th</sup> September, 2014

The details of special resolutions passed in AGM/EGM in the last 3 years are as follows:

AGM/EGM	Subject
NIL	NIL

### E-Voting/Poll: {Details of E-voting/Poll carried out at AGM/EGM}

No special resolutions were required to be passed by the shareholders of the company through postal ballot during the year 2013-2014.

## 7. Disclosures

- (i) **Related Party transaction:** Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 is given in Annexure C in Form AOC-2 and the same forms part of this report.
- (ii) **Strictures or Penalties:** During the last three years 2012-13, 2013-14, 2014-15, there were no strictures or penalties imposed on the company either by the SEBI or other Stock Exchange (s) or any other Statutory Authority for non-compliance of any matter related to Capital Markets.
- (iii) **Compliance with Code of Conduct and Vigil Mechanism (Whistle Blower Mechanism):** The Company has established a vigil mechanism for grievances redressal of Directors and Employees of the Company which will help in reporting genuine concerns or grievances of Directors and Employees. (Annexure E)
- (iv) **Financial Statements/Accounting treatments:** In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by The Institute of Chartered Accountants of India to the extent applicable. Certificate from the Managing Director of the Company on the financial statements of the Company was placed before the Board.

- (v) **Board Disclosures– Risk Management:** The Company has laid down systems to inform Board about the risk assessment and minimization procedures. The risks and Company’s strategies are periodically discussed and reviewed by Board of Directors to ensure effective controls.
- (vi) **Management:** A detailed report on Management Discussion and Analysis is given as a separate section in this Annual Report. During the year, there have been no material financial and commercial transactions made by the management where they have personal interest that may have a potential conflict with the interest of the Company at large.

#### 8. Means Of Communication:

- (i) The Company results and official news releases etc. are displayed on the Company’s website. Website address is [www.sofcomsystems.com](http://www.sofcomsystems.com)
- (ii) The Company’s results and other Corporate Announcements are regularly sent to the Stock Exchanges.

#### 9. General Shareholder Information

ISIN	INE499Q01012
CIN	L72200RJ1995PLC010192
Registered Office	D-36, Flat No. 802, Sheel Mohar Apartment, C-Scheme, Subhash Marg, Jaipur , Rajasthan – 302001
Website	www.sofcomsystems.com
Registrar and Share Transfer Agents	Sharex Dynamic (India) Pvt Ltd , Unit No. 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E) Mumbai, Maharashtra, 400072
Date and time:	30 <sup>th</sup> Sep., 2015 at 11.00 a.m
Venue	“Sheel Mohar Apartment” D-36, Subhash Marg, C-Scheme, Jaipur- 302001
Book Closure Date	24.09.2015 to 30.09.2015 (both days inclusive)
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March

#### 10. Financial Calendar (tentative)

Results for the 1st Quarter ending June 30 <sup>th</sup> , 2015	First week of August, 2015
Results for the 2nd Quarter ending Sept.30 <sup>th</sup> , 2015	First week of November, 2015
Results for the 3rd Quarter ending Dec. 31 <sup>st</sup> , 2015	First week of February, 2016
Results for the 4th Quarter ending Mar., 31 <sup>st</sup> , 2016	Last week of May, 2016

#### 11. Particulars of Dividend for the year ended 31.03.2015 – N.A.

## 12. Listing of Shares

Name of the Stock Exchange	Scrip code
Bombay Stock Exchange	538923

13. Stock Market Data – not available as the company was listed on BSE in February 2015

## 14. Shareholding Pattern as on 31<sup>st</sup> March 2015

Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	Total Number of shares held	% of capital
<b>Promoter &amp; Promoter Group</b>					
a. Bodies Corporate	-	-	-	-	-
b. Directors & their relatives	2	-	3016600	3016600	72.60
<b>Public Shareholding</b>					
<b>I. Institutions</b>	-	-	-	0	0
a. Mutual Funds/UTI	-	-	-	0	0
b. Financial Institutions/Banks	-	-	-	0	0
c. Insurance Companies	-	-	-	0	0
d. Foreign Institutional Investors	-	-	-	0	0
<b>II. Non Institutions</b>					0
a. Bodies Corporate	11	-	751531	751531	18.087
b. Individuals	423	200400	186370	386770	9.31
c. Non Resident Indians	1	-	99	99	0.002
<b>Total</b>	<b>437</b>			<b>4155000</b>	<b>100</b>

## 15. Registrar and Share Transfer Agents

Sharex Dynamic (India) Pvt Ltd, Maharashtra, 400072 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgment. A practicing company secretary certifies on a quarterly basis the timely dematerialization of shares of the company.

## 16. Information in respect of unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:

Dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF)

administered by the Central Government. There is no unclaimed dividend as on March 31, 2015

Note:

- a. Shareholders are advised by the company well in advance before transferring the unclaimed dividends to IEPF.
- b. Members are requested to note that as per the Companies Act, unclaimed dividend once transferred to IEPF will not be refunded.
- c. Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

### **17. Request to Investors**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- (i) Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- (ii) Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- (iii) It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- (iv) Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- (v) As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

### **18. Reconciliation of Share Capital Audit**

There was no audit for reconciliation of shares during the last financial year.

**For and on behalf Board**

**(Kishore Mehta)**  
**Managing Director**  
**DIN 00043865**

**(Nawratan Mall Mehta)**  
**Director**  
**DIN 00858126**

**Jaipur**  
**30<sup>th</sup> May 2015**

**VIGIL MECHANISM Policy Pursuant to section 177 of Companies Act, 2013.  
(Whistle Blower Policy)**

Vigil mechanism for the directors and employees of Sofcom Systems Limited:-

**1. OBJECT OF POLICY:-**

A Vigil mechanism (Whistle Blower Policy) provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy with adequate safeguards against victimization of employees to avail the mechanism

**2. SCOPE OF THE POLICY:-**

This Policy covers malpractices and events which have taken place or suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected

**3. DEFINITIONS IN POLICY:-**

(1) **“Alleged wrongful conduct”** shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.

(2) **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company.

(3) **“Board”** means the Board of Directors of the Company.

(4) **“Company”** means the Sofcom Systems Limited and all its offices.

(5) **“Employee”** means all the present employees and whole time Directors of the Company.

(6) **“Nodal Officer”** means any officer of the Company as may be nominated by the Managing Director (MD) to receive protected disclosures from whistleblowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof.

(7) **“Protected Disclosure”** means a communication made in good faith that discloses or demonstrates information about an unethical or improper activity. However, the Protected Disclosures should be factual and not speculative

(8) **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

(9) **“Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

**4. ELIGIBILITY**

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## **5. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:-**

- (i) Protected Disclosures should be reported in writing by the complainant as soon as possible after the whistle blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting .
- (ii) The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the whistle blower policy” in the absence it might be treated as if a normal disclosure.
- (iii) In order to protect identity of the complainant, the nodal officer will not issue any acknowledgement to the complainant and the complainants are advised to neither write the name / address of the complainant on the envelope or to enter into any further correspondence with the nodal officer /audit committee.
- (iv) The Nodal Officer/ MD / Chairman of Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.

Protected Disclosure shall be addressed to the Managing Director (MD) of the Company and the Protected Disclosure against the MD of the Company should be addressed to the Chairman of the Audit Committee. The details of the MD and the Chairman of the Audit Committee are as under:

**MD: -Mr. Kishore Mehta.**

**Chairman of Audit Committee: - Mr. Krishnanand Parmanand Pant**

## **6.INVESTIGATION:-**

All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee (AC) may investigate and may at its discretion consider involving any other Officer of the Company including Vigilance for the purpose of investigation.

Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation. Subject(s) shall have a duty to co-operate with the AC or any of the Officers appointed. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be with held, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s). No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation. Subject(s) have a right to be informed of the outcome of the investigations. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the AC deems fit and as applicable.

## **7. DECISION AND REPORTING:-**

Audit Committee along with its recommendations will report its findings to the Managing Director through within 20 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the

matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the Nodal Officer, if any, the complainant and the subject.

The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency. A complainant who makes false allegations of unethical & improper practices or about wrongful conduct of the subject to the nodal officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

#### **8. SECURITY / CONFIDENTIALITY:-**

The complainant, Members of Audit Committee, the Subject and everybody involved in the process shall maintain confidentiality of all matters under this Policy and discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

#### **9. PROTECTION:-**

No unfair treatment will be meted out to a whistle blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any kind of unfair practice. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. In the event of the identity of the complainant being disclosed, the audit committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

#### **10. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE:-**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

#### **11. COMMUNICATION:-**

A whistle blower policy cannot be effective unless it is properly communicated to employees and put up on the notice board.

#### **12. ADMINISTRATION AND REVIEW OF THE POLICY:-**

The Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Managing Director also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

**13. ANNUAL AFFIRMATION:-**

The affirmation shall also form a part of Corporate Governance report which is attached to the Annual report of the Company.

For and on behalf of the Board  
**Sofcom Systems Limited**

(Kishore Mehta)  
Managing Director  
Din 00043865

(Nawratan Mall Mehta)  
Director  
Din 00858126

Jaipur  
May 30, 2015



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report have been prepared in compliance with the requirements of Listing Agreements and contain expectations and projections about the strategy for growth. Certain statements in the Management Discussion and Analysis Report are forward looking statements which involve a number of risks and uncertainties that could differ from actual results performance or achievements which such forward looking statements on the basis of any subsequent developments, information or events for which the Company do not bear any responsibility.

### **BUSINESS OVERVIEW**

Sofcom systems Limited was established to provide consultancy for software development in the form of services, turnkey projects and the products for domestic and export market. The software development is targeted towards the distribution, banking, telecommunication, and manufacturing sectors worldwide. The company is also providing software maintenance, re-engineering and downsizing of software application in these market segments.

Sofcom systems Limited is providing information technology solutions to both commercial and government clients, The Company is focusing on development o high performance products to meet the diverse needs of growth enterprise.

### **FUTURE BUSINESS PROSPECTS**

In the last few years the domestic computer market has witnessed rapid growth. Software developers are looking to India as development and production base for their products and a number of software packages developed in this country has gained instant recognition overseas.

Over the years the growth drivers for this sector have been the verticals of manufacturing, telecommunications, insurance, banking, finance and of late the fledging retail revolution. As the new scenario unfolds it is getting clear that the future growth of IT and ITeS will be fuelled by the verticals of climate change, mobile applications, healthcare, energy efficiency and sustainable energy. Traditional business strongholds would make way for new geographies, there would be new customers and more and more of SMEs will go for IT application and services.

## **OPPORTUNITIES AND THREATS**

With the introduction of the concept of e-governance, both the Central and State Government are keen on implementing different projects to keep the activities of the governments transparent, timely and cost effective. There is an absolute increase in the fund allotment by the Governments for implementing the projects. This creates an opportunity for the experienced and expert organizations to broaden their horizon and support the Government in faster implementation of the projects.

The increased volume of business attracts more number of players in the field and the competition becomes severe. Only the effective and efficient organizations could stand a competitive situation. The management is confident that with its exposure and experience in this field of e-governance, it stands a better chance than others.

## **OUTLOOK**

The outlook of the Company remains positive. Sofcom Systems Limited is cautiously optimistic about its prospects in the coming years. The Company aims at providing high quality products and services to the customers and to provide them with greater satisfaction. For last couple of years the company has taken a number of initiatives to re-structure and re-engineer the operation to enable the company to compete better in this profound competitive regime.

There are no major risks and concerns except the technology up gradation and increasing power tariff and growing competition. The company is guarding itself against these risks by laying down appropriate strategy which is to be supplemented by business plans and review mechanisms.

## **RISKS AND CONCERNS**

- Inherent risk to accommodate technological changes due to involvement in IT industry.
- Unable to expand successfully beyond India.
- No clear product vision beyond current offering.
- Little brand recognition.
- Increased competition from local and big players.
- New technology changes.
- Changes in government policies and other regulations.

## CEO/CFO Certification

To

The Board of Directors  
Sofcom Systems Limited

I, Mr. Kishore Mehta, Managing Director & CEO certify that:

(A) I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of my knowledge and belief

(I) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;

(II) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(B) There are, to the best of my knowledge and "belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.

(C) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

(D) I have indicated to the Auditors and the Audit Committee that:

(I) There has not been any significant change in internal control over financial reporting during the year under reference;

(II) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

(III) There has not been any instance during the year of significant fraud of which I had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Date: 08.09.2015**  
**Place: Jaipur**

**Sd/-**  
**MR. KISHORE MEHTA**  
**(MANAGING DIRECTOR & CEO)**

## **AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members,  
Sofcom Systems Limited

We have examined the records with respect to the compliance of Corporate Governance by **SOFCOM SYSTEMS LIMITED** ("the Company"), for the financial year ended on March 31, 2015, as stipulated in clause 49 of the listing agreement entered into by the Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**Place:** Jaipur  
**Date:** 30.05.2015

For R. Mohnot & Co.  
Chartered Accountants  
FRN 001654C

(Narender Mittal)  
Chartered Accountants

# AUDITORS' REPORT

**To the Members of**

**SOFCOM SYSTEMS LIMITED**

**JAIPUR**

## **Report to the financial statements**

We have audited the accompanying financial statements of **Sofcom System Limited** which comprise the Balance Sheet as at March 31<sup>st</sup>, 2015, Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for 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 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 financial statements based on our audit. We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the applicable authoritative pronouncement issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

### **Opinion**

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

- (a) in the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2015; in the case of Statement of Profit and Loss, of the **Profit** for the year ended 31<sup>st</sup> March, 2015, and;
- (b) 2015, and;
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended 31<sup>st</sup> March, 2015.

## **AUDITOR'S REPORT CONTD..**

### **Report on other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure- 'A'** statement on the matters specified in paragraphs 3 and 4 of the order.
- 2 As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164 (2) of the Act ;
  - (f) 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:
    - (1) the Company does not have any pending litigations which would impact its financial position.
    - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R.MOHNOT & CO.,**

**Chartered Accountant**

**Firm's Registration No. 001654C  
(NARENDER MITTAL)**

**Jaipur**

**May 30, 2015**

**PARTNER**

**M.No. 072715**

**ANNEXURE TO THE AUDITOR'S REPORT**  
**(Referred to in Paragraph 1 of our report of even date)**

**To The Members of**

**Sofcom Systems Limited**

**Jaipur**

- (i) In respect of its fixed assets:
  - a) In our opinion and according to the information and explanation give to us, proper records of fixed assets showing full particulars including quantitative details and location of fixed assets are being maintained by the company.
  - b) All the fixed assets have not been physically verified by the management during the year but there is regular program of verification of fixed assets, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (ii) In respect of its inventories:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to information and explanation given to us, the procedures of physical verification of the Company are reasonable and adequate having regard to the size of the Company and nature of its business.
  - c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on such verification between physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- iii. The company has not granted any loans, secured or unsecured, to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit in contravention of section 73 to section 76 or any other relevant provision of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or tribunal.



- vi. The Central Government has not prescribed maintenance of cost records u/s. 148(1) of the Companies Act, 2013 for the product of the company.
  
- vii. a. The Company is generally regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, service tax, excise duty, cess and other material statutory dues with appropriate authorities, wherever applicable to it and there are no arrear at the end of the year.
  
- b. As per records of the Company and in accordance with the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute
  
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within time.

**ANNEXURE TO THE AUDITORS' REPORT CONTD..**

- viii. The Company has accumulated losses at the end of the financial year which is not more than 50% of its Net worth. The Company has not incurred any cash loss in the current financial year or in the immediately preceding financial year.
  
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks . The Company has not taken any loans from financial institutions and debenture holders.
  
- x. According to the information and explanation given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
  
- xi. To the best of our knowledge and belief and according to the information and explanation given to us the loan taken during the year has been applied for the purpose for which it was raised .
  
- xii. In our opinion, on the basis of audit conducted by us and in accordance with the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For R.MOHNOT & CO.  
FIRM REGISTRATION NO.: 001654C**

**CHARTERED ACCOUNTANTS  
( NARENDER MITTAL )**

**Jaipur**

**PARTNER  
May 30, 2015**

**M. No : 72715**

# SOFCOM SYSTEMS LIMITED

## BALANCE SHEET AS ON 31ST MARCH, 2015

	Note	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
<b>I. <u>EQUITY AND LIABILITIES:</u></b>			
<b>.1 <u>Shareholders' Funds:</u></b>			
.a Share Capital	1	46315500	46315500
b Reserves & Surplus	2	(817921)	(1207040)
c. Amount received against share warrants		-	-
		<b>45497579</b>	<b>45108460</b>
2 Share Application Money Pending Allotment		-	-
<b>3 <u>Non-current liabilities:</u></b>			
a Long-Term Borrowings		-	-
B Deferred Tax Liabilities(net)	3	14401	-
c. Other Long -Term Liabilities		-	-
D Long - Term Provisions		-	-
<b>4 <u>Current liabilities:</u></b>			
A Short -Term Borrowings	4	28720976	-
B Trade Payables	5	10917430	-
c. Other Current Liabilities	6	3028500	235690
D Short -Term Provisions	7	71000	31000
		<b>42737906</b>	<b>266690</b>
<b>TOTAL</b>		<b>88249886</b>	<b>45375150</b>
<b>II. <u>ASSETS:</u></b>			
<b>1 <u>Non-Current Assets:</u></b>			
A Fixed Assets:			
Tangible Assets	8	147497	207538
Intangible Assets		-	-
Capital Work-in-Progress		-	-
Intangible assets under development		-	-
B Non-Current Investments	9	59283375	43243375
c. Deferred tax assets (net)		-	-
d Long Term Loans and Advances	10	533004	1003254
		<b>59963876</b>	<b>44454167</b>
<b>2. <u>Current assets:</u></b>			
A Current Investments			
B Inventories	11	6700000	
c. Trade Receivables	12	20937444	406680
d Cash and cash equivalents	13	648566	507561
e. Short Term loans and advances	14	-	6742
			6742

	<u>28286010</u>	<u>920983</u>
<b>TOTAL</b>	<u>88249886</u>	<u>45375150</u>

Significant accounting policies and notes on accounts                      21                      -                      -

In terms of our report of even date attached

For & On behalf of the Board of Directors

For R.MOHNOT & CO.,  
Chartered Accountant  
Firm's Registration No. 001654C

KISHORE MEHTA                      DIRECTOR  
DIN :00043865

(Narender Mittal)  
Partner  
M.No. 072715

NAWRATAN MALL  
MEHTA                      DIRECTOR  
DIN :00858126

Jaipur  
May 30, 2015

GAURAV KAUSHIK                      Company  
M.No: ACS28821                      Secretary

**SOFCOM SYSTEMS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	Note	For the Year ended 31.03.2015 Rs.	For the Year ended 31.03.2014 Rs.
<b>I. INCOME</b>			
Revenue from operations	15	52955444	1384000
<b>Total Revenue</b>		<b>52955444</b>	<b>1384000</b>
<b>II. EXPENSES</b>			
Material Consumed		-	-
Purchase of Stock-In-Trade	16	55377776	-
Changes in inventories of Finished Goods & Stock-In-Trade	17	(6700000)	-
Employee Benefits Expenses	18	276500	192000
Finance Cost	19	1455235	-
Other Expenses	20	2008373	807385
Depreciation and Amortization expenses	8	48688	19817
<b>Total Expenses</b>		<b>52466572</b>	<b>1019202</b>
<b>Profit / (Loss) Before Extraordinary and Exceptional Items and Tax</b>		488872	364798
Extraordinary/ Exceptional Items		-	-
<b>Profit / (Loss) Before Tax</b>		<b>488872</b>	<b>364798</b>
<u>Less : Provision for Taxation</u>			
Current tax		71000	31000
Deferred Tax		14401	-
Income tax of Earlier year w/off		3000	-
<b>Profit / (Loss) After Tax</b>		<b>400471</b>	<b>333798</b>
<b>Balance Carried to Balance Sheet</b>		<b>400471</b>	<b>333798</b>
Basic & Diluted Earning per share		0.10	0.08

Significant accounting policies and notes on accounts

In terms of our report of even date  
attached

**For R.MOHNOT & CO.,**  
**Chartered Accountant**  
**Firm's Registration No. 001654C**

**(Narender Mittal)**  
**Partner**  
**M.No. 072715**

**Jaipur**  
**May 30, 2015**

For & On behalf of the Board of Directors

**KISHORE MEHTA**                      **DIRECTOR**  
**DIN :00043865**

**NAWRATAN MALL MEHTA**        **DIRECTOR**  
**DIN :00858126**

**GAURAV KAUSHIK**  
**M.No: ACS28821**

**COMPANY**  
**SECRETARY**

# SOFCOM SYSTEMS LIMITED

**Notes on accounts forming part of the financial statements**

	<b>As at 31.03.2015 Amount (Rs.)</b>	<b>As at 31.03.2014 Amount (Rs.)</b>
<b><u>NOTE '1' : SHARE CAPITAL:</u></b>		
<b><u>Authorised Capital</u></b>		
65,00,000 (Previous year : 65,00,000) Equity Shares of Rs.10/- each	<u>65000000</u>	<u>65000000</u>
	<u>65000000</u>	<u>65000000</u>
 <b><u>Issued, Subscribed And Fully Paid-Up Capital</u></b>		
41,55,000 Equity Shares of Rs. 10/- each fully paid up ( Previous year : 30,17,000 Equity Shares each fully paid up)	41550000	41550000
NIL Equity Shares of Rs. 10/- each fully called up (Previous year 30,35,000 Equity Shares of Rs.10/- each)	-	-
<u>Less</u> : Allotment Money due	-	-
<b>TOTAL</b>	<u><b>41550000</b></u>	<u><b>41550000</b></u>
 <b><u>Forfeited Shares</u></b>		
18,97,000 (Previous year : NIL) Equity Shares @ Rs. 2.50/-	4765500	4765500
<b>TOTAL</b>	<u><b>46315500</b></u>	<u><b>46315500</b></u>

**Notes:**

- Details of shareholders holding more than 5% shares in the company**
- 1.

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	%	No. of Shares	%	No. of Shares
Shri Kishore Mehta	66.38	2758000	66.38	2758000
Smt Asha mehta	6.22	258,600	6.22	258,600
<b>Total</b>	<b>72.60</b>	<b>3016600</b>	<b>72.60</b>	<b>3016600</b>

As, per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## 2. Reconciliation of opening and closing number of Equity Shares

Particulars	As at 31.03.2015	As at 31.03.2014
Equity shares outstanding at the beginning of the year	4155000	6052000
<b>Add:</b> Equity shares issued during the year	-	-
<b>Less:</b> Equity shares Forfeited during the year	-	1897000
Equity shares outstanding at the end of the year	<b>4155000</b>	4155000

## 3. Terms /rights attached to shares issued subscribed & paid-up

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company has not declared any dividend.

- For the period of last five years from this Balance Sheet date the company has not allotted any
4. bonus shares, or issued any shares for consideration other than cash or has bought back any shares.

## **NOTE '2' : RESERVES & SURPLUS:**

### **Surplus: Profit / (Loss)**

Opening Balance	(1207040)	(1540838)
<b>Add:</b> Net Profit/(loss) for the current period	400471	333798
<b>Less:</b> Depreciation Adjustment as per Sch II of Companies Act, 2013	(11352)	
<b>Amount Available for Appropriation</b>	(817921)	(1207040)
<b><u>Less: Appropriations</u></b>	-	-
Closing Balance	<b><u>(817921)</u></b>	<b><u>(1207040)</u></b>

## **NOTE '3' : DEFERRED TAX LIABILITIES (NET OF ASSETS):**

Difference in Value of Fixed Assets as Per Books and Income Tax records	14401	-
<b>TOTAL</b>	<b><u>14401</u></b>	<b><u>-</u></b>

**NOTE '4' : SHORT TERM BORROWINGS:****Loans from Banks repayable on demand**

State Bank of India - Bank overdraft	28720976	-
<b>TOTAL</b>	<b>28720976</b>	<b>-</b>

**Nature of Security and terms of repayment for Borrowings :-**

Working capital loan from State Bank of India is secured by equitable mortgage on Flat no. 70, 7th Floor, Blue Haven, Mount Pleasant Road, Malabar Hill, Mumbai- 400006 in the name of director of the company and hypothecation of all fixed assets and entire current assets of the company. Further secured by personal guarantee of the directors Sh. Kishore Mehta and Smt. Asha Mehta

There is no default in repayment of loan and interest as on the date of Balance Sheet.

**NOTE '5' : TRADE PAYABLES :**

Trade Payables	10917430	-
<b>TOTAL</b>	<b>10917430</b>	<b>-</b>

**NOTE '6' : OTHER CURRENT LIABILITIES:**

Outstanding Expenses	39450	19663
Statutory Liabilities	15600	40352
Others Liabilities Payable	2973450	175675
<b>TOTAL</b>	<b>3028500</b>	<b>235690</b>

**NOTE '7' : SHORT -TERM PROVISIONS**

Provision for Income Tax (net of advance tax)	71000	31000
<b>TOTAL</b>	<b>71000</b>	<b>31000</b>



**SOFCOM SYSTEMS LIMITED**  
**FOR THE YEAR ENDED 31ST MARCH, 2015**  
**Notes on accounts forming part of the financial statements**

S N o .	Particulars	Gross Block				Depreciation				Net Carrying Value	
		Balance 01.04.14	Additio n	Dispo sals	As at 31.03.15	As at 01.4.14	sale	For the year	As at 31.03.15	Balance- 31.03.15	31.03.14
A	<u>Tangible Assets</u>										
1.	Computer equipment	1528312	-	-	1528312	1353742	-	48688	1402430	125882	174570
2.	Furniture & Fixtures	83872	-	-	83872	79679	-	-	79679	4193	4193
3.	Office Equipments	64614	-	-	64614	46963	11352	-	58315	6299	17651
4	Motor Car	618804	-	-	618804	587864	-	-	587864	30940	30940
B	<u>Intangible Assets</u>	-	-	-	-	-	-	-	-		
	Total	2295602	-	-	2295602	2068248	11352	48688	2128288	167314	227355
	Previous Year	2192282	103320	-	2192282	2061831	-	19817	2088065	207537	124035

**NOTE '9' : NON CURRENT INVESTMENT:**

	As at 31.03.2015(Rs.)	As at 31.03.2014(Rs.)
<b><u>Other Investments ( Unquoted)- Non Trade ( At Cost)</u></b>		
Investment in equity instruments ( Fully Paid Up)		
10000 ( March 31, 2014: 10000) equity shares of Rs.10/- each Vaishali Urban Co-operative Bank Limited	10000	10000
200000 ( March 31, 2014: 200000) equity shares of Rs.10/- each Quantaplast Polymer Pvt Ltd.	8270625	8270625
146686 ( March 31, 2014: 106686 ) equity shares of Rs.100/- each Abok Spring Pvt Ltd , Associate Concern	50999750	34959750
National Saving Certificate(Pledged with Sales Tax)	3000	3000
	<u>59283375</u>	<u>43243375</u>

**NOTE '10' : LONG-TERM LOANS AND ADVANCES:**

**Other Loans and Advances**

Security Deposit

**TOTAL**

533004	1003254
<u>533004</u>	<u>1003254</u>

**NOTE '11' : INVENTORIES:**

(As valued &amp; certified by the Company)

**Algorithims**

	6700000	-
<b>TOTAL</b>	<b>6700000</b>	<b>-</b>

**NOTE '12': TRADE RECEIVABLES:**Outstanding for a period more than six months from the date they are due for payments:

Unsecured, considered good	-	-
<u>Other Debts:</u>		
Unsecured, considered good	20937444	406680
<b>TOTAL</b>	<b>20937444</b>	<b>406680</b>

**NOTE '13' : CASH AND CASH EQUIVALENTS:**

Cash in hand	638469	363355
<u>Balance with Banks:</u>		
In Current Accounts	10097	144206
<b>TOTAL</b>	<b>648566</b>	<b>507561</b>

**NOTE '14' : SHORT-TERM LOANS AND ADVANCES:****Unsecured, considered good**

Advance to Suppliers	-	6742
<b>TOTAL</b>	<b>-</b>	<b>6742</b>

**NOTE '15' : REVENUE FROM OPERATIONS:**

Sale Software	765000	500000
Sale of Trading of Goods	51692444	-
Service Income - Consultancy Receipts	498000	884000
<b>TOTAL</b>	<b>52955444</b>	<b>1384000</b>

**NOTE '16' : PURCHASE OF STOCK IN TRADE**

Purchases of Trading Goods	48677776	-
Software Purchases	6700000	-
<b>TOTAL</b>	<b>55377776</b>	<b>-</b>

**NOTE '17' : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE:**

Opening Stock	-	-
Less: Closing Stock	6700000	-
<b>TOTAL</b>	<b>(6700000)</b>	<b>-</b>

**NOTE '18' : EMPLOYEE BENEFIT COST:**

Salary		276500	192000
	<b>TOTAL</b>	<b><u>276500</u></b>	<b><u>192000</u></b>

**NOTE '19' : FINANCE COSTS:**

Interest to Bank		1455235	-
	<b>TOTAL</b>	<b><u>2008235</u></b>	<b><u>384000</u></b>

**NOTE '20' : OTHER EXPENSES:**

**Payment to Auditor**

-Audit Fee:	17100	16854	
- Taxation Matters	2809	2809	
- Other Services	7000	7000	
Fees & Subscription	732026	268274	
Legal & Professional Expenses	503726	360010	
Office Rent	135000	120000	
Bank Commission & Charges	33674	4932	
Interest Expenses others	4598	843	
Printing & Stationery	6363	10490	
Staff Welfare Expenses	3550	5173	
Telephone Expenses	6000	6000	
Advertisement Expenses	71113	-	
Miscellaneous Expenses	485414	5000	
	<b>TOTAL</b>	<b><u>2008373</u></b>	<b><u>807385</u></b>

## **SOFCOM SYSTEMS LIMITED**

### **NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015.**

#### **NOTE '21' : NOTES TO ACCOUNTS:**

1.

i. **ACCOUNTING CONCEPTS**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standard notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

All Assets and liabilities are classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 month for the purpose of current- non current classification of assets and liabilities.

ii. **USE OF ESTIMATES:**

The preparation of financial statements in conformity with the GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reported period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

ii. **Revenue Recognition**

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis as a going concern.

iii. **Investments**

(i) **Recognition and Measurement:** Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

(ii) **Presentation and Disclosure:** Investments which are readily realisable and intended to be held not more

than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

iv. **Fixed Assets**

Fixed Assets are stated at cost less depreciation. Cost of acquisition, fabrication or construction is inclusive of freight, duties and other incidental expenses during construction period.

v. **Impairment**

An asset is considered as impaired in accordance with Accounting Standard-28 on impairment of assets when at balance sheet date there are indications of impairment and the carrying amount of the asset exceeds its recoverable amount. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of profit and loss .

vi. **Depreciation**

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

Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

vii. **Inventories**

The Closing stock is valued at lower of cost and net realisable value.

viii. **Taxes on income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

ix. **Foreign Currency Transaction**

Transactions in foreign currencies are recorded at the rate prevalent on the date of transaction. However, Export/Imports remaining unrealised/unpaid till the finalisation of accounts are stated at the exchange rate prevailing at the end of the year.

x. **Contingent Liabilities**

Liabilities of contingent nature are not provided for in the books and are disclosed by way of notes on accounts.

**2. NOTES ON ACCOUNTS:**

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

2. No amount due/ payable to any Micro, Small & Medium Enterprises.

3. **Segment Reporting**

(a) Primary Segment (Business Segment) :-During the year the major operations of the company were trading operation, which constituted more than 90% of the total revenue of the company. Hence no separate disclosure of segments is required.

(b) Secondary Segment (Geographical Segment) : The entire sales of company is within India therefore it has only one geographical segment. Hence no separate disclosure of segments is required.

4. **Contingent Liabilities:-** **NIL**
5. In the opinion of management, loans & advances and investments are approximately of the value stated, if realised in the ordinary course of business unless and otherwise stated. The provisions of all liabilities are adequate and not in excess of the amount reasonably necessary.
- |   |            |            |
|---|------------|------------|
| 6. <b>C.I.F Value of Imports</b>          | <b>Nil</b> | <b>Nil</b> |
| 7. <b>F.O.B. value of exports</b>         | <b>Nil</b> | <b>Nil</b> |
| 8. <b>Expenditure in foreign currency</b> | <b>Nil</b> | <b>Nil</b> |
| 9. <b>Expenditure in foreign currency</b> | <b>Nil</b> | <b>Nil</b> |
10. Disclosure as required by Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as follows :
- a) Relationship
- i. Key Management Personnel & their relatives
- Mr. Kishore Mehta, Director**  
**Mrs. Asha Mehta**
- ii. Enterprises owned or significantly influenced by key management personnel or their relatives where transactions have taken place:
- ABOK Spring Pvt. Ltd.**  
**Quanta Plast Polymers Pvt. Ltd.**

Note : Related party relationship is as identified by the company & relied upon by the Auditors :

- b) Transactions carried out with related parties referred in A above, in ordinary course of business:-

Nature of Transactions	RELATED PARTIES		RELATED PARTIES	
	Referred in	Referred in	Referred in	Referred in
	a(i) above	a(ii) above	a(i) above	a(ii) above
	31.03.2015		31.03.2014	
Sales & Services	-	-	-	500000
Rent Paid	120000	-	120000	-
Purchases of Shares	-	-	-	8250000
Payables	1015090	1641486	-	-
Receivable	-	-	525418	406680
Investments		8270625		8270625
			31.03.2015	31.03.2014
			Rs.	Rs.

Earning Per Share (Accounting Standard -

11. <u>20</u> :				
Profit/(Loss) after tax as per Profit & Loss A/c	:	394347	333798	
Weighted Average number of Equity Shares outstanding (Nos.)	:	4155000	4155000	
Basic and Diluted Earning per share	:	0.09	0.08	
Face value of shares		10.00	10.00	

12. Figures have been rounded off to the nearest rupee.



# SOFCOM SYSTEMS LIMITED

## CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	<u>YEAR ENDED</u> <u>31.03.2015</u> <u>AMOUNT</u> <u>(RS.)</u>	<u>YEAR ENDED</u> <u>31.03.2014</u> <u>AMOUNT (RS.)</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax & Extraordinary items	488872	364798
<b>Add/(Deduct)</b>		
Depreciation	48688	19817
<b>Operating Profit Before Working Capital Changes</b>	<b>537560</b>	<b>384615</b>
<b>Add/(Deduct)</b>		
Inventories	(6700000)	
Sundry Debtors	(20530764)	(406680)
Loans & Advances	476992	(6743)
Trade Payables	10917430	
Current Liabilities	2792811	(560098)
<b>Cash Generated from Operations</b>	<b>(12505971)</b>	<b>(588906)</b>
Direct Taxes paid	34000	-
<b>Net Cash from Operating Activities</b>	<b>(12539971)</b>	<b>(588906)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Fixed Assets	-	(103320)
Investment in Shares	(16040000)	(8270625)
Net Cash used in Investing Activities	<b>(16040000)</b>	<b>(8373945)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Cash Proceeds from Issuing shares	-	8480000
Proceed From Borrowing	28720976	-
Net Cash in the course of Financing Activities	<b>28720976</b>	<b>8480000</b>
Net Changes in Cash and Cash Equivalents (A+B+C)	141005	(482851)
Cash and Cash Equivalents As at 1st April,2014 (Opening Balance)	507561	990412
Cash and Cash Equivalents As at 31st March, 2015 (Closing Balance)	648566	507561



**AS PER OUR REPORT OF EVEN DATE**

**FOR R.MOHNOT & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO.:  
001654C**

**(NAREDER MITTAL)  
PARTNER  
M.NO. : 072715**

**Jaipur  
May 30, 2015**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**KISHORE MEHTA  
DIRECTOR  
DIN :00043865**

**NAWRATAN MALL MEHTA  
DIRECTOR  
DIN :00858126**

**GAURAV KAUSHIK  
COMPANY SECRETARY  
M.No: ACS28821**

## SOFCOM SYSTEMS LIMITED

Regd. Office: D-36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme, Jaipur.

### PROXY FORM

Regd. Folio No.		* DP ID:	
No. of Equity Shares held		* Client ID:	

I/We.....  
.....of.....  
.....being a member/ members of **Sofcom Systems Limited** hereby  
appoint.....of.....  
..... or  
failing  
him.....of.....  
.....as my/our proxy to attend and vote for  
me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Members  
of the Company to be held on Wednesday, 30<sup>th</sup> September, 2015 at 11 a.m. at  
D-36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme Jaipur.

Signed this.....day of.....2015

Please Affix Re 1/- Revenue Stamp and sign across
---

**Note:** (1) The proxy need not be a member of the company.  
(2) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

\*Applicable for investors holding shares in Electronic Form.

## SOFCOM SYSTEMS LIMITED

Regd. Office: D-36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment,  
C-Scheme, Jaipur.

### ATTENDANCE SLIP

**20<sup>th</sup> Annual General Meeting, 30<sup>th</sup> September, 2015 at 11 a.m.**

<b>Regd. Folio No.</b>		<b>* DP ID:</b>	
<b>No. of Equity Shares held</b>		<b>* Client ID:</b>	
<b>Name of Shareholder</b>			
<b>Name of Proxy</b>			

I/We hereby record my/ our presence at the 20<sup>th</sup> Annual General Meeting of the members of the Company held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 11 a.m. at D-36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme Jaipur.

#### **SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING**

\_\_\_\_\_

**If Member, Please sign here  
sign here**

\_\_\_\_\_

**If Proxy, Please**

**Note:** This form should be signed and handed over at the Meeting Venue.  
\*Applicable for investors holding shares in electronic form