

INFORMATION MEMORANDUM

SOFCOM SYSTEMS LIMITED

Registered Office: D-36, Subhash Marg,
Sheel Mohar Apartment, C-Scheme,
Jaipur- 302 001, Rajasthan

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Compiled By:



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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meaning given below. References to Statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

In this Information Memorandum, unless the context otherwise indicates, all references to “**SSL**”, “**the Company**”, “**our Company**” are to Sofcom Systems Limited, a company incorporated in India under the Companies Act, 1956 (the “**Companies Act**”) with its Registered Office at D-36, Subhash Marg, Sheel Mohar Apartment, C-Scheme, Jaipur, Rajasthan. Furthermore, all references to the terms “**we**”, “**us**” and “**our**” are to Sofcom Systems Limited.

| | |
|--|---|
| Act | The Companies Act, 2013 and Companies Act, 1956 (to the extent applicable) |
| AGM | Annual General Meeting |
| Articles/AOA | Articles of Association of the Company |
| Auditors | M/s. R Mohnot & Co. , Chartered Accountants, Statutory Auditors of the Company |
| Board | Board of Directors of Sofcom Systems Limited |
| BSE | BSE Limited |
| CSEL | Calcutta Stock Exchange Limited |
| CDSL | Central Depository Services (India) Limited |
| Company Secretary / Compliance Officer | Mr. Gaurav Kaushik |
| Depositories Act | The Depositories Act, 1996 as amended from time to time |
| Depository | A Depository registered with SEBI under the SEBI (Depositories & Participants) Regulations, 1996 as amended |
| Directors | Directors on the Board of Sofcom Systems Limited |
| DP | Depository Participant |
| EOGM/EGM | Extra Ordinary General Meeting |
| Equity Shares | Fully paid-up shares of ₹ 10/- each of the Company |
| Equity Shareholders | Equity Shareholders of the Company |
| “Existing Promoters”/ Promoters | The existing promoters of our Company, viz. Mr. Kishore Mehta and Mrs. Asha Mehta. |
| Financial Year/Fiscal/FY | Period of 12 month ended March 31 of that particular year unless stated otherwise. |
| Information Memorandum | This Information Memorandum, as filed with BSE |

SOFCOM SYSTEMS LIMITED- *Information Memorandum*

| | |
|--|--|
| ISIN | International Securities Identification Number |
| I T Act | Income Tax Act, 1961 and subsequent amendments thereto |
| JSEL | Jaipur Stock Exchange Limited |
| Listing Agreement | Listing Agreement entered into with Stock Exchange |
| MSEL | Madras Stock Exchange Limited |
| MCA | Ministry of Corporate Affairs |
| MOA | Memorandum of Association of Sofcom Systems Limited as amended |
| NSDL | National Securities Depository Limited |
| Promoter Group Entities/ Promoter Group Companies/ Promoter Group Company/ Promoter Group Entity/Group Entity/ Group Company | Unless the context otherwise requires, refers to such entities which constitute the promoter group of our Company and a list of which is provided in the chapter titled "Our Promoter Group" beginning on page no. 37 of the Information Memorandum. |
| RBI | Reserve Bank of India |
| ROC | Registrar of Companies, Rajasthan |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI (ICDR) Regulations, 2009 | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2009, as amended. |
| Stock Exchange | Shall refer to the BSE Limited, Calcutta Stock Exchange Limited, Jaipur Stock Exchange Limited and Madras Stock Exchange Limited. |
| Transfer Agent / Registrars | Sharex Dynamic (India) Private Limited Unit No.1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai- 400 072 |
| WP | Writ Petition |

Notwithstanding the foregoing, terms in "*Main Provisions of Articles of Association of the Company*", shall have the meanings given to such terms in that section.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

CERTAIN CONVENTIONS

All references to “India” contained in this Information Memorandum are to the Republic of India. In this Information Memorandum, our Company has presented numerical information in “lacs” units. One lac represents 1,00,000.

In this Information Memorandum, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Sofcom Systems Limited” and “SSL”, unless the context otherwise indicates or implies, refers to Sofcom Systems Limited. In this Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “ten lac / lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Information Memorandum, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Financial Data

Unless indicated otherwise, the financial data in this Information Memorandum is derived from our financial statements prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) and the Companies Act, 1956, as amended (“Companies Act”) included elsewhere in this Information Memorandum. The financial year commences on April 1 and ends on March 31, so all references to a particular financial year are to the twelve-month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Industry and Market Data

Unless stated otherwise, industry data and the market data used throughout this Information Memorandum have been obtained from industry publications, websites and other authenticated published data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, the Company believes that industry data used in this Information Memorandum is reliable, it has not been independently verified. Similarly, internal company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Information Memorandum is meaningful depends on the readers familiarity with the understanding of the methodologies used in compiling such data. There are no standard valuation methodologies or accounting policies in the said industry in India and methodologies and assumptions may vary widely among different industry sources.

Currency Information

All references to “Rupees” or “Rs.” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S.\$”, “U.S. Dollar(s)” or “US Dollar(s)” are to United States Dollars, the official currency of the United States of America.

FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain words or phrases, including, “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “would”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from the Company’s expectations include, among others:

- Changes in law and regulations that apply to the industries in India, wherein the Company is operating;
- Increasing competition and the conditions of the customers of the Company;
- Changes in Government Policies;
- The Company’s ability to successfully implement its strategy, growth and expansion plans;
- General economic and business conditions in the markets in which the Company operates and in the local, regional and national economies;
- Changes in the value of the Rupee vis-à-vis other currencies;
- Changes in political and socio-economic conditions in India;
- The Company’s ability to meet its capital expenditure requirements;
- Fluctuations in operating costs;
- Company’s ability to attract and retain qualified personnel;
- Changes in technology;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which the Company might get involved in future.

ABSOLUTE RESPONSIBILITY OF SOFCOM SYSTEMS LIMITED

Sofcom Systems Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions are intentions misleading in any material respect.

LISTING

The existing shares of our company are currently listed on the Calcutta Stock Exchange Limited, Jaipur Stock Exchange Limited and Madras Stock Exchange Limited. Now the Company proposes to list equity shares on the BSE Limited (BSE) under Direct Listing norms of BSE Ltd.

The Information Memorandum is for the Listing of 41,55,000 Equity Shares of ₹ 10/- each.

SECTION II – RISK FACTORS

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

A. INTERNAL RISK FACTORS

1. Our growth will depend on our ability to develop our brand and failure to do so will adversely affect our ability to compete in the industry.

Management Perception

We believe that promoting and positioning our brand is necessary for achieving recognition of our services. Brand promotion activities may not yield increased revenues and even if they do, increased revenues may not offset the expenses we incur in brand building. If we fail to promote our brand, our business, financial condition and result of operation could be affected.

2. Our business and profitability will suffer if we fail to anticipate and develop new services and enhance our existing services in order to keep pace with rapid changes in technology and the industries on which we focus.

Management Perception

We operate in a technologically intensive environment. Technology by its very nature is dynamic and ever changing and we may not be able to keep pace with the rapidly changing technological environment. The IT product and service market is characterized by rapid technological change, evolving industry standards, changing client preferences and new product and service introductions. Our future success will depend on our ability to anticipate these advances and develop new service offerings to meet client needs. We may not be successful in anticipating or adequately responding to these advances in a timely basis, or, if we do respond, the services or technologies we develop may not be successful in the marketplace. Any such failure on our part could adversely affect our sales and profitability and in turn our results of operations.

3. Significant security breaches in our computer systems and network infrastructure and fraud could adversely impact our business.

Management Perception

We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. To address these issues and to minimize the risk of security breaches, we employ security policies, security systems, including firewalls and intrusion detection systems, conduct periodic penetration testing for identification and assessment of potential vulnerabilities and, use encryption technology for transmitting and storing critical data such as passwords. However, these systems may not guarantee prevention of frauds, break-ins, damage and failure. A significant failure in security measures could have an adverse effect on our business.

4. If our company fails attract and retain key employees, our operation could be affected.

Management Perception

The Company believes that human resource is most important element for success of any organization. The company takes every step to promote feeling of belongingness among its employees and maintains a separate Human Resource department to take care of concerns and well being of employees. The staff turnover in the company is considerably less as compared to the industry. In any case, skilled and/or trained manpower is available in the market. It has a strong Culture & Corporate Core Values.

5. We operate in a highly competitive market where there are substantially larger competitors having greater financial strength and many small competitors. This competition may affect our business opportunities in the domestic market.

Management Perception

We may face severe competition from emerging players and also those who have established a dominant position in the market. We have many competitors that claim to offer better price, quality and other benefits, while, we may not be able to meet the expectation of the customers or we may not be able to hold a prevailing position in the market over and above our competitors. This may affect our business opportunities in the market. Some of our competitors are substantially larger and have considerably greater financing resources and may have a lower cost of funds and many have access to funding sources that may not available to us. In addition, certain of our competitors may have greater risk appetites or different risk assessment policies than ours, which could encourage them to consider a wider variety of opportunities, establish more relationships and more quickly build their market share.

6. Our revenue is dependent upon our meeting specific customer requirements largely on a case-to-case basis. Any failure or limitation on our ability to provide customized software services may detrimentally affect our future growth.

Management Perception

Our assignments for providing services largely involve us providing business and software solutions on a case-to-case basis depending upon the needs of each customer. Our inability to provide customized software solutions could lead to erosion of our market image and brand value, which could lead to customers discontinuing their work with us and stagnation of our customer base, which in turn could harm our business and profitability. Our future growth will depend on our continued evolution of specific sets of customized services to deal with the rapidly evolving and diverse needs of our customers in a cost competitive and effective manner.

7. Failure to obtain pre-qualifications and/or certifications could adversely impact our business.

Management Perception

Certain customers require software services provider to undergo pre-qualification processes. These processes evaluate both the technical ability to provide relevant products with the exact specifications needed by the end-user, and the production capabilities of the supplier. These processes generally take time to complete and involve the incurrence of considerable up-front expenses in learning and meeting customer qualification requirements. In the event of our failure to qualify or receive necessary certificates, our business would be adversely affected.

B. EXTERNAL RISK

1. A slowdown in economic growth in India could cause business to suffer.

The performance and growth of the company and the industry are dependent on the health of the Indian economy as well the secondary industries. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors.

Any slowdown in the Indian economy may adversely impact business and financial performance and the price of Equity Shares.

2. Any downgrading of India's debt rating by an independent agency may harm ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on capital expenditure plans, business and financial performance.

3. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian financial markets and also adversely affect the worldwide financial markets. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the business. India has witnessed civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact. Such incidents could also create perception in the minds of investors that, investment in Indian Companies involve a higher degree of risk.

4. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquake, tsunami, floods and drought in the past. The extent and severity of these natural disasters determines their impact on the Indian economy, which have an adverse impact on our business.

5. Factors affecting Indian economy in general.

Like any other entity, our financial results are also affected by the macro economic factors determining the growth of the Indian economy in general and continued growth of the securities market. The Growth of our business and ability to maintain the growth is influenced by the growth rate of the securities market indicators. Any slowdown in Indian economy or slowdown in securities market or any changes in government regulation could have an impact on our financial performance.

SECTION III-INTRODUCTION

SUMMARY OF BUSINESS

Business Overview

Our Company was originally incorporated on June 9, 1995, as “Sofcom Systems Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Rajasthan, Jaipur. Subsequently, the Company obtained Certificate of Commencement of Business on June 16, 1995. The Corporate Identification Number of the Company is L72200RJ1995PLC010192. There has been no name change of the Company since its incorporation.

The Registered Office as well as Head Office of our company is situated at D-36, Subhash Marg, Sheel Mohar Apartment, C-Scheme, Jaipur, Rajasthan.

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.

SUMMARY OF FINANCIAL INFORMATION**STATEMENT OF ASSETS AND LIABILITIES****(Amount in ₹)**

| | Particulars | 31.03.2014 | 31.03.2013 | 31.03.2012 |
|----------|--|-----------------------|-----------------------|-----------------------|
| | EQUITY AND LIABILITIES | | | |
| 1 | Shareholder's Funds | | | |
| | (a) Share Capital | 4,63,15,500.00 | 3,78,35,500.00 | 3,78,35,500.00 |
| | (b) Reserve and Surplus | (12,07,040.00) | (15,40,838.00) | (15,79,412.00) |
| | (c) Money received against share warrants | - | - | - |
| 2 | Share Application Money Pending Allotment | - | - | - |
| 3 | Non-Current Liabilities | | | |
| | (a) Long Term Borrowings | - | - | - |
| | (b) Deferred Tax Liabilities (Net) | - | - | - |
| | (c) Other Long Term Liabilities | - | - | - |
| | (d) Long Term Provisions | - | - | - |
| 4 | Current Liabilities | | | |
| | (a) Short-Term Borrowings | - | - | - |
| | (b) Trade Payables | - | - | - |
| | (c) Other Current Liabilities | 2,35,690.00 | 7,95,788.00 | 8,16,042.00 |
| | (d) Short-Term Provisions | 31,000.00 | - | - |
| | TOTAL | 4,53,75,150.00 | 3,70,90,450.00 | 3,70,72,130.00 |
| | ASSETS | | | |
| 1 | Non-Current Assets | | | |
| | (a) Fixed Assets | | | |
| | (i) Tangible Assets | 2,07,538.00 | 1,24,035.00 | 1,30,452.00 |
| | (ii) Intangible Assets | - | - | - |
| | (iii) Capital Work-in-Progress | - | - | - |
| | (iv) Intangible assets under development | - | - | - |
| | (b) Non-Current Investments | 4,32,43,375.00 | 3,49,72,750.00 | 3,42,92,750.00 |
| | (c) Deferred Tax Assets (Net) | - | - | - |
| | (d) Long-Term Loans & Advances | 10,03,254.00 | 10,03,254.00 | 10,03,254.00 |
| | (e) Other Non-Current Assets | - | - | - |
| 2 | Current Assets | | | |
| | (a) Current Investments | - | - | - |
| | (b) Inventories | - | - | - |
| | (c) Trade Receivables | 4,06,680.00 | - | - |
| | (d) Cash and Cash Equivalents | 5,07,561.00 | 9,90,411.00 | 6,45,674.00 |
| | (e) Short-Term Loans & Advances | 6,742.00 | - | 10,00,000.00 |
| | (f) Other Current Assets | - | - | - |
| | TOTAL | 4,53,75,150.00 | 3,70,90,450.00 | 3,70,72,130.00 |

STATEMENT OF PROFIT AND LOSS
(Amount in ₹)

| Particulars | 31.03.2014 | 31.03.2013 | 31.03.2012 |
|---|---------------------|--------------------|--------------------|
| 1) Revenue From Operations | 13,84,000.00 | 2,74,500.00 | 2,60,000.00 |
| 2) Other Income | - | - | - |
| 3) Total Revenue (1+2) | 13,84,000.00 | 2,74,500.00 | 2,60,000.00 |
| 4) Expenses: | | | |
| Employee Benefits Expense | 1,92,000.00 | - | - |
| Finance Costs | - | - | - |
| Depreciation & Amortization Expense | 19,871.00 | 6,417.00 | 66,777.00 |
| Other Expenses | 8,07,385.00 | 2,29,509.00 | 1,96,433.00 |
| Total Expenses | 10,19,202.00 | 2,35,926.00 | 2,63,210.00 |
| 5) Profit/(Loss) before exceptional and extraordinary items and tax (3-4) | 3,64,798.00 | 38,574.00 | (3,210.00) |
| 6) Exceptional items | - | - | - |
| 7) Profit before extraordinary items and tax (5-6) | 3,64,798.00 | 38,574.00 | (3,210.00) |
| 8) Extraordinary Items | - | - | - |
| 9) Profit before Tax (7-8) | 3,64,798.00 | 38,574.00 | (3,210.00) |
| 10) Tax Expenses | | | |
| (1) Current Tax | 31,000.00 | - | - |
| (2) Deferred Tax | - | - | - |
| 11) Profit/(Loss) for the year from continuing operations (9-10) | 3,33,798.00 | 38,574.00 | (3,210.00) |
| 12) Profit/(Loss) from discounting operations | - | - | - |
| 13) Tax expenses of discounting operations | - | - | - |
| 14) Profit/(Loss) from discontinuing operations (after tax) (12-13) | - | - | - |
| 15) Profit/(Loss) for the year (11+14) | 3,33,798.00 | 38,574.00 | (3,210.00) |
| 16) Earning per Equity share: | | | |
| (1) Basic | 0.08 | 0.01 | - |
| (2) Diluted | 0.08 | 0.01 | - |

GENERAL INFORMATION

Our Company was originally incorporated on June 9, 1995, as "Sofcom Systems Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Rajasthan, Jaipur. Subsequently, the Company obtained Certificate of Commencement of Business on June 16, 1995. The Corporate Identification Number of the Company is L72200RJ1995PLC010192. There has been no name change of the Company since its incorporation.

REGISTERED OFFICE OF OUR COMPANY

Sofcom Systems Limited
D-36, Subhash Marg,
Sheel Mohar Apartment, C-Scheme,
Jaipur- 302 001, Rajasthan
Contact Details – 0141-2340221/2370947
Fax No.: 0141-2348019
E-mail: sofcomsystems ltd@gmail.com
Website: www.sofcomsystems.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gaurav Kaushik
101-103, Industrial Area,
Jhotwara, Jaipur- 302 012
Rajasthan
Contact Details – 0141-2340221
Fax - 0141-2348019
E-mail: sofcomsystems ltd@gmail.com

REGISTRAR TO THE COMPANY

M/s Sharex Dynamic (India) Private Limited
Unit No. 1, Luthra Ind. Premises,
Andheri Kurla Road,
Safed Pool, Andheri(E),
Mumbai- 400 072, Maharashtra
Contact Details – 022-28515606/44
Fax – 022-28512885
E-mail: sharexindia@vsnl.com
Website: www.sharexindia.com
Contact Person: Mr. Henry Fernandes
SEBI Regn. No. : INR000002102

AUDITOR TO THE COMPANY

M/s R. Mohnot & Co., Chartered Accountants
C-68, Lal Kothi Scheme,
Jaipur- 302 015, Rajasthan

Tel No: 0141-2742718/1517
Fax No: 0141-2742073
E-mail: rsmohnot@dil.in
Contact Person: Mr. Narendra Mittal

BANKER TO THE COMPANY

ING Vysya Bank Limited
'A' Wing Ground Floor
Mittal Tower, 210 Nariman Point,
Mumbai-400021
Tel No: 022-22824162/22882616/22843753
Fax No: 022-22870687
E-mail: narimanpointbr@ingvysyabank.com

Now the Equity Shares of the Company i.e. Sofcom Systems Limited shall be admitted to trading on BSE. Such admission for trading will be subject to fulfillment by the Company of Direct listing criteria of BSE and also subject to such other terms and conditions as may be prescribed by BSE at the time of the application by the Company seeking listing.

Eligibility Criterion

The Company is submitting its Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their website viz. www.bseindia.com and its website www.sofcomsystems.com

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Filing

Copies of Information Memorandum have been filed with BSE in due compliance.

Listing

Application has been made to BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has already taken steps for the completion of necessary formalities for commencement of trading at the Stock Exchanges mentioned above.

Dematerialization of Shares

The details of shares in demat mode are given hereunder:

| S. No. | Details | No. of Shares | Percentage of Total |
|---------------|------------------------------|----------------------|----------------------------|
| 1 | Dematerialized Equity Shares | 3954600 | 95.19% |

CAPITAL STRUCTURE OF THE COMPANY

The Details of Share Capital as on the date of this Information Memorandum is set forth below:

SHARE CAPITAL:

| Particulars | Amount in (₹) |
|--|---------------------------|
| <u>Authorised Capital</u> | |
| 65,00,000 Equity Shares of ₹ 10/- Each | <u>6,50,00,000</u> |
| <u>Issued, Subscribed and Paid Up Capital</u> | |
| 41,55,000 Equity Shares of ₹ 10/- Each Fully Paid Up | <u>4,15,50,000</u> |

NOTES TO CAPITAL STRUCTURE:**DETAILS OF INCREASE/CHANGES IN AUTHORIZED SHARE CAPITAL OF OUR COMPANY:**

| Date of Meeting | Changes in Authorized Share Capital |
|------------------------|---|
| 09.06.1995 | On Incorporation, the initial authorized share capital of the Company comprised of ₹1 Lac divided into 10,000 Equity Shares of ₹10/- each |
| 30.10.1995 | Increase in the authorized share capital of the Company from ₹ 1 Lac divided into 10,000 Equity Shares of ₹ 10/- each to ₹ 650 Lacs divided into 65,00,000 Equity Shares of ₹10/- each. |

EQUITY SHARE CAPITAL HISTORY OF OUR COMPANY:

| Date of Allotment / Date of Fully Paid Up | No. of Equity Shares allotted | Cumulative No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Cumulative Securities Premium Account (₹) | Cumulative Paid-up Capital (₹) | Consideration | Nature of Issue and Category of Allottees |
|--|-------------------------------|---------------------------------|----------------|-----------------|---|--------------------------------|---------------|---|
| 09.06.1995 | 700 | 700 | 10 | 10 | Nil | 7,000 | Cash | Subscribers to the Memorandum |
| 08.03.1996 | 13,46,800 | 13,47,500 | 10 | 10 | Nil | 1,34,75,000 | Cash | Allotment to Promoters, Directors & their relatives |
| 21.08.1996 | 15,12,500 | 28,60,000 | 10 | 10 | Nil | 2,86,00,000 | Cash | Allotment to Promoters, Directors & their relatives |
| 09.09.1996 | 31,92,000 | 60,52,000 | 10 | 2.5 | Nil | 3,66,65,500 | Cash | Allotted to Public through Initial Public Offer |
| Forfeiture of 18,97,000 Shares in Board Meeting dated 07.02.2014 due to nonpayment of amount due on shares. Below is the position of capital structure of the Company after receipt of amount from 11,38,000 shares and forfeiture of 18,97,000 shares:- | | | | | | | | |
| 07.02.2014 | -- | 41,55,000 | 10 | -- | Nil | 4,15,50,000 | -- | -- |

DETAILS OF EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

As on date, our Company has not issued any Equity Shares for consideration other than cash.

SHAREHOLDING PATTERN AS ON DATE OF FILING OF INFORMATION MEMORANDUM

| Category | No. of Shares | % of Shares |
|------------------------------|----------------|---------------|
| Promoters:- | | |
| Individuals | 3016600 | 72.60% |
| Public Shareholding:- | | |
| Individuals | 387400 | 9.33% |
| Body Corporate | 751000 | 18.07% |
| Total | 4155000 | 100.00 |

DISTRIBUTION OF SHAREHOLDING

Distribution of Shareholding as on 16th May, 2014 is as given below:

| Range (Shares of Nominal Value) | No. of Shareholders | As a % of Total Shareholders | Total Holdings in (₹) | As a % of Total Paid-up Capital |
|---------------------------------|---------------------|------------------------------|-----------------------|---------------------------------|
| 0-5000 | 510 | 98.46% | 1,34,550.00 | 0.32% |
| 5001-10000 | -- | -- | -- | -- |
| 10001-50000 | -- | -- | -- | -- |
| 50001-100000 | -- | -- | -- | -- |
| Above 100000 | 8 | 1.54% | 4,14,15,450.00 | 99.68% |
| Total | 518 | 100.00% | 4,15,50,000.00 | 100.00% |

SHAREHOLDING PATTERN AS ON 16th MAY, 2014 AS PER CLAUSE 35 OF LISTING AGREEMENT

Introductory sub-table (I) (a)

| Partly Paid Up Shares | No. of partly paid up Shares | As a % of total no. of partly paid up shares | As a % of total no. of shares of the company |
|-----------------------------------|------------------------------|--|--|
| Held by Promoter / Promoter Group | 0 | 0.00 | 0.00 |
| Held by Public | 0 | 0.00 | 0.00 |
| Total | 0 | 0.00 | 0.00 |

| Outstanding convertible securities | No. of outstanding securities | As a % of total no. of outstanding convertible securities | As a % of total no. of shares of the company assuming full conversion of the convertible securities |
|------------------------------------|-------------------------------|---|---|
| Held by Promoter / Promoter Group | 0 | 0.00 | 0.00 |
| Held by Public | 0 | 0.00 | 0.00 |
| Total | 0 | 0.00 | 0.00 |

| Warrants | No. of Warrant | As a % of total no. of Warrants | As a % of total no. of shares of the company assuming full conversion of Warrants |
|-----------------------------------|----------------|---------------------------------|---|
| Held by Promoter / Promoter Group | 0 | 0.00 | 0.00 |
| Held by Public | 0 | 0.00 | 0.00 |
| Total | 0 | 0.00 | 0.00 |

| | |
|---|------------------------|
| Total Paid-up capital of the company assuming full conversion of warrants and convertible securities | ₹ 4,15,50,000/- |
|---|------------------------|

SOFCOM SYSTEMS LIMITED- *Information Memorandum*

| Category of Shareholder | No. of Shareholders | Total No. of Shares | Total No. of Shares held in Dematerialized Form | Total Shareholding as a % of Total No. of Shares | | Shares pledged or Otherwise encumbered | |
|--|---------------------|---------------------|---|--|-------------------|--|-------------------------------|
| | | | | As a % of (A+B) | As a % of (A+B+C) | No. of Shares | As a % of Total No. of Shares |
| (A) Shareholding of Promoter and Promoter Group | | | | | | | |
| (1) Indian | | | | | | | |
| Individuals / Hindu Undivided Family | 2 | 3016600 | 3016600 | 72.60 | 72.60 | -- | -- |
| Bodies Corporate | -- | -- | -- | -- | -- | -- | -- |
| Sub Total(A) (1) | 2 | 3016600 | 3016600 | 72.60 | 72.60 | -- | -- |
| (2) Foreign | -- | -- | -- | -- | -- | -- | -- |
| Sub Total(A) (2) | -- | -- | -- | -- | -- | -- | -- |
| Sub Total (A1) + (A2) | 2 | 3016600 | 3016600 | 72.60 | 72.60 | -- | -- |
| (B) Public Shareholding | | | | | | | |
| (1) Institutions | -- | -- | -- | -- | -- | -- | -- |
| Sub Total(B) (1) | -- | -- | -- | -- | -- | -- | -- |
| (2) Non-Institutions | | | | | | | |
| (A)Bodies Corporate | 4 | 751000 | 751000 | 18.07 | 18.07 | -- | -- |
| (B)Individuals | | | | | | | |
| i. Individual shareholders holding nominal share capital up to ₹1 lakh | 510 | 13455 | 11330 | 0.32 | 0.32 | -- | -- |
| ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh | 2 | 373945 | 175670 | 9.0 | 9.0 | -- | -- |
| Any Others (Specify) | | | | | | | |
| Sub Total (B) (2) | 516 | 1138400 | 938000 | 27.40 | 27.40 | -- | -- |
| Sub Total (B1) + (B2) | 516 | 1138400 | 938000 | 27.40 | 27.40 | -- | -- |
| Total (A)+(B) | 518 | 4155000 | 3954600 | 100.00 | 100.00 | -- | -- |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| (1) Promoter and Promoter Group | -- | -- | -- | -- | -- | -- | -- |
| (2) Public | -- | -- | -- | -- | -- | -- | -- |
| Sub Total(C) | -- | -- | -- | -- | -- | -- | -- |
| GRAND TOTAL (A)+(B)+(C) | 518 | 4155000 | 3954600 | 100.00 | 100.00 | 0 | 0.00 |

(1)(b) Statement Showing Holding of Securities includes (shares, warrants, convertible securities) of person belonging to the category “promoter and promoter group”

| Name of the Shareholder | Details of Shares held | | Encumbered shares (*) | | | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|-------------------------|------------------------|-----------------------------------|-----------------------|-------------|-----------------------------------|----------------------|--|------------------------------------|---|--|
| | No. of Shares held | As a % of grand total (A)+(B)+(C) | No. | As a % | As a % of grand total (A)+(B)+(C) | No. of warrants held | As a % total no. of warrants of the same class | No. of convertible securities held | As a % total number of convertible securities of the same class | |
| KISHORE MEHTA | 2758000 | 66.38 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 66.38 |
| ASHA MEHTA | 258600 | 6.22 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6.22 |
| Total | 3016600 | 72.60 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0 | 0.00 | 72.60 |

(1)(c)(i) Statement Showing Holding of Securities includes (shares, warrants, convertible securities) of person belonging to the category “public ” and holding more than 1% of the total number of shares

| S.No. | Name of the Shareholder | No. of Shares held | Shares as % of Total No. of Shares | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|-------|-------------------------------|--------------------|------------------------------------|----------------------|--|------------------------------------|---|--|
| | | | | No. of warrants held | As a % total no. of warrants of the same class | No. of convertible securities held | % w.r.t total no. of convertible securities of the same class | |
| 1 | SETHIA GEMS PVT. LTD. | 185000 | 4.45 | 0 | 0.00 | 0 | 0.00 | 4.45 |
| 2 | CRYSTAL MINE O GEMS PVT. LTD. | 195000 | 4.69 | 0 | 0.00 | 0 | 0.00 | 4.69 |
| 3 | PRIME MINE O JEWELS PVT. LTD. | 196000 | 4.72 | 0 | 0.00 | 0 | 0.00 | 4.72 |
| 4 | SAMKIT B JAIN | 198275 | 4.77 | 0 | 0.00 | 0 | 0.00 | 4.51 |
| 5 | JALAK K JAIN | 175670 | 4.29 | 0 | 0.00 | 0 | 0.00 | 4.29 |
| 6 | MANMOHAN JEWELS PVT. LTD. | 175000 | 4.21 | 0 | 0.00 | 0 | 0.00 | 4.21 |
| | Total | 1124945 | 27.07 | 0 | 0.00 | 0 | 0.00 | 27.07 |

(1)(c)(ii) Statement Showing Holding of Securities includes (shares, warrants, convertible securities) of person belonging to the category “public” and holding more than 5% of the total number of the share of the Company

| S.No. | Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them | No. of Shares | Shares as % of Total No. of Shares | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------------------|---|---------------|------------------------------------|---------------------|---|---------------------------------------|--|--|
| | | | | Number of warrants | As a % total number of warrants of the same class | Number of convertible securities held | % w.r.t total number of convertible securities of the same class | |
| -----NOT APPLICABLE----- | | | | | | | | |

(I)(d) Statement showing details of locked-in shares

| S.No. | Name of the Shareholder | No. of Shares | Locked-in Shares as % of Total No. of Shares |
|--------------------------|-------------------------|---------------|--|
| -----NOT APPLICABLE----- | | | |

(II)(a) Statement showing details of Depository Receipts (DRs)

| S.No. | Type of Outstanding DR (ADRs, GDRs, SDRs, etc.) | No. of Outstanding DRs | No. of Shares Underlying outstanding DRs | Shares Underlying Outstanding DRs as % of Total No. of Shares |
|--------------------------|---|------------------------|--|---|
| -----NOT APPLICABLE----- | | | | |

(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

| S.No. | Name of the DR Holder | Type of Outstanding DR (ADRs, GDRs, SDRs, etc.) | No. of Shares Underlying Outstanding DRs | Shares Underlying Outstanding DRs as a % of Total No. of Shares |
|--------------------------|-----------------------|---|--|---|
| -----NOT APPLICABLE----- | | | | |

LIST OF TOP 10 SHAREHOLDERS ALONGWITH THE NUMBER OF SHARES HELD

| S. No | Name of Shareholders | Number of Shares | % of total No. of Shares |
|-------|-------------------------------|------------------|--------------------------|
| 1 | KISHORE MEHTA | 2758000 | 66.38 |
| 2 | ASHA MEHTA | 258600 | 6.22 |
| 3 | SAMKIT B JAIN | 198275 | 4.77 |
| 4 | PRIME MINE O JEWELS PVT. LTD. | 196000 | 4.72 |
| 5 | CRYSTAL MINE O GEMS PVT. LTD. | 195000 | 4.69 |
| 6 | SETHIA GEMS PVT. LTD. | 185000 | 4.45 |
| 7 | JALAK J JAIN | 175670 | 4.23 |
| 8 | MANMOHAN JEWELS PVT. LTD. | 175000 | 4.21 |
| 9 | SUDHIR GOYAL | 200 | 0.01 |
| 10 | VIKRAM GOLECHA | 200 | 0.01 |

Details of Outstanding Convertible Instruments including Warrants Pending Conversion

Not Applicable

Details of Group/Subsidiary companies, such as name of the company, the stock exchanges where they are listed and the market prices of their securities during the week preceding the date of application for listing on this Exchange.

Our Company does not have any Group / Subsidiary Companies which are listed on any stock exchange.

Statement showing dividends and cash bonuses paid during the last 10 years or such shorter period as the company has been in existence

Our Company has not allowed for any dividend and cash bonuses at any time during the last 10 years.

Statement containing particulars of the dates of and parties to all material contracts, agreements (including agreements for technical advice and collaboration), concessions and similar other documents (except those entered into in the ordinary course of business carried on or intended to be carried on by the company) together with the brief description of terms, subject matter and general nature of the documents, if applicable

Not Applicable.

Statement containing particulars of any commission, brokerage, discount or other special terms including an option for the issue of any kind of securities granted to any person, if applicable

Not Applicable.

SECTION IV –ABOUT THE COMPANY

BUSINESS OVERVIEW

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 of high performance products to meet the diverse needs of growth enterprise.

Sofcom is the single source for information technology solutions including:

- Hardware and Software solutions
- Network implementation and management
- Training
- IT Enabled Services
- Internet Commerce (E-Business)
- Mobile App Development
- Cloud Deployment Services
- Consultancy

FUTURE BUSINESS PROSPECTS

India has been growing in importance as a source for computer software. Each year, larger numbers of Indian computer professionals are employed in USA, Europe and some of the India's most eminent computer professionals are making useful contributions to the success stories of the world's leading computer companies.

In the last few years the domestic computer market has witnessed rapid growth. Increasingly 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.

Globalization has a profound impact in shaping the Indian IT industry over the years with India capturing a sizeable chunk of the global market for technology sourcing and business services. Over the years the growth drivers for this sector have been the verticals of manufacturing, telecommunication, insurance, banking, finance and of late the fledgling 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.

Demand from emerging countries is expected to show strong growth going forward. Tax holidays are also extended to IT sector for software technology parks of India (STPI) and special economic zones (SEZs).

Further, the country is providing procedural ease and single window clearance for setting up facilities. The country's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US continues to be its USP in the global sourcing market.

PRODUCTS AND SERVICES

Sofcom offers complete network solutions for different operating systems and onsite support to network design and implementation and manages the process to ensure stable and robust communications for business.

1) Software Products

| | |
|--------------------------------------|--|
| Banking | Complete on-line solution for banks. |
| Transportation | Solution for transportation industry with specially software like vehicle maintenance system. |
| Medical | Solution for diagnostic centers. |
| Hospitality | Complete on-line software solution for hotel industry. |
| Software Systems | Development of technically intensive software for process control system, quality control system, software's for automation process simulation, optimization for manufacturing sector and development of decision support systems. |
| Software's for Internet Applications | |

2) Internet Commerce

The company is all set to venture into providing solutions and services for e-business. With its innovative universal bridge, Sofcom Systems has developed a solution that allows all partners integral to an organization to communicate electronically, regardless of file format, software or hardware configuration.

3) Mobile App Development

Company provides mobile applications development services with consultative approach. Mobile application services include design and development on a variety of platforms – ios, android, HTML5 and web. Our proven capabilities in mobile development put us in a unique position to provide the best of end-to-end custom solutions. Company revamp existing desktop/web based applications and make them mobile/notepad compliance and facilitate them to reach to the masses.

4) Cloud Deployment Services

Company provides solution to underutilized infrastructure/hardware resources by building a private cloud practice. Company deploy cloud computing services using open sources technologies and existing infrastructure and make them scalable, dynamic and on demand optimum utilization. Company also help clients in business process knowledge mapping on their very own cloud ensuring that cloud teams can speak the same language.

5) Consultancy

Sofcom consulting consists of best tech staff available for custom requirements of Sofcom client's sites and customers. Sofcom provides consultancy for complete project implementation in information technology field.

MARKETING

The company provides personalized expert services as software consultancy to its clients and hence, does not foresee and effect on its business due to the presence of larger players. The quality of services already being provided is expected to result in gainful business generation in the future.

OPPORTUNITIES & THREATS

With the introduction of the concept of e-governance, both the Central and State Governments 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.

HUMAN RESOURCES MANAGEMENT

The Company's belief in trust, transparency and teamwork improved employee efficiency at all levels. The Company's commitment to harmonious industrial relations resulted in enhancing effectiveness of operations and enabled the achievement of benchmarks in industry. The company's ongoing objective is to create an inspirational work climate where talented employees engaged in creating sustained value for the stakeholders.

Training and orientation programs are being arranged periodically, to update the employees in the work techniques. The overall human resources are positive and we would be able to effectively achieve the desired objectives. The Company has developed an environment of harmonious and cordial relations with its employees.

INTERNAL CONTROL SYSTEMS

The Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operations, optimum utilization of resources, and effective monitoring thereof as well as compliance with all applicable laws. The internal control mechanism comprises a well-defined organization structure, documented policy guidelines, predetermined authority levels and processes commensurate with the level of responsibility.

SWOT ANALYSIS

| | |
|---|--|
| <p>STRENGTHS</p> <ul style="list-style-type: none"> ✓ Strong customer relationship ✓ Availability of skilled, technically qualified IT manpower ✓ The Core Management is having sound experience in software development and project management ✓ The company is in the IT field for more than two decades and having rich experience in executing software projects | <p>WEAKNESSES</p> <ul style="list-style-type: none"> ✓ 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 |
| <p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ✓ Entering into new attractive market segments that offer improved profits ✓ Huge growth potential ✓ Potential to provide other value added services ✓ Mergers, joint ventures or strategic alliances | <p>THREATS</p> <ul style="list-style-type: none"> ✓ Increased competition from local and big players ✓ New technology changes ✓ Changes in government policies and other regulations |

HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated on June 9, 1995, as “Sofcom Systems Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Rajasthan, Jaipur. Subsequently, the Company obtained Certificate of Commencement of Business on June 16, 1995. The Corporate Identification Number of the Company is L72200RJ1995PLC010192. There has been no name change of the Company since its incorporation.

The Registered Office as well as Head Office of our company is situated at D-36, Subhash Marg, Sheel Mohar Apartment, C-Scheme, Jaipur- 302 001, Rajasthan.

BUSINESS MODEL

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 of high performance products to meet the diverse needs of growth enterprise.

Sofcom is the single source for information technology solutions including:

- Hardware and Software solutions
- Network Implementation and Management
- Training
- IT Enabled Services
- Internet Commerce (E-Business)
- Mobile App Development
- Cloud development Services
- Consultancy

The Directors of the company are optimistic that company would be able to fetch better returns in the future.

CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

| S.NO. | PARTICULARS | DATE OF MEETING | TYPE OF MEETING |
|-------|---|-----------------|-----------------------------|
| 1 | Authorized Capital with ₹ 1 Lac divided into in 10,000 Equity Shares of ₹10/- each. | | On Incorporation of Company |

SOFCOM SYSTEMS LIMITED- *Information Memorandum*

| | | | |
|---|--|------------|-----|
| 2 | Increase in the authorized share capital of the Company from ₹ 1 Lac divided into 10,000 Equity Shares of ₹ 10/- each to ₹ 650 Lacs divided into 65,00,000 Equity Shares of ₹10/- each. | 30.10.1995 | AGM |
| 3 | Insertion of new object in other objects of MOA for carrying on the "Diamond and Jewellery" business. | 22.09.1997 | AGM |
| 4 | Insertion of new objects (9) in other objects of MOA for carrying on various businesses such as 1) Automobiles 2) Develop supply plan, project reports 3) Engineering, researchers, technicians 4) Platinum, gold, ruby and silver ornaments 5) Dealing in properties 6) Letting cinema hall, etc. 7) Dealing in household goods 8) Dealing in automobile ancillaries & other machineries 9) Dealing in financial, trading or commercial business | 04.01.1999 | EGM |

MAIN OBJECTS OF OUR COMPANY:

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To undertake the business of manufacturers, traders, dealers, exporters, importers, developers, agents, stockiest, distributors, processors, franchise holders, designers, repairers, maintainers, consultants of all types of hardwares and softwares which includes computer systems, computer peripherals and accessories, computer consumables, like floppy disks, diskettes hard disks, ribbons, computer stationery, computer software packages, engineering, electrical and electronic items.
2. To set up to run electronic data processing centres and to carry on the business of data/ward processors, software consultants, developments of various information system, computerization feasibility study, share/debenture transfer agents and to conduct or sponsor training, programmes, courses, seminars for importing or spreading the knowledge and use of computers, computer programmes and publishing books, journals and courses materials.

MATERIAL CONTRACTS

The Company has not entered into any material contract, concessions and similar other documents except those entered into in the ordinary course of the business carried on or intended to be carried on by the company.

OUR SUBSIDIARIES

As on date of the Information Memorandum our Company has no subsidiary.

MANAGEMENT**BOARD OF DIRECTORS**

Under our Articles of Association, our Company is required to have not less than three (3) directors and not more than twelve (12) directors. Our Company currently has 6 directors on Board. The following table sets forth current details regarding our Board of Directors:

| S.No. | Name, Father's name, Address, Experience, Occupation, Qualification & DIN | Age | Status of Directorship in our Company | Other Directorships |
|--------------|---|------------|--|--|
| 1 | Mr. Kishore Mehta Father's Name – Late Shri Deo Raj Mehta Address – A-15 Triveni Building, 66 Walkeshwar Road, Mumbai-400006 Experience - 26 Years Occupation -Business Qualifications - B.E (Mechanical engineering, M.S (mechanical engineering – manufacturing Systems Engg) DIN - 00043865 PAN - AEOPM 4918 H | 51 years | Managing Director | ❖ Abok Spring Private Limited ❖ Quantaplast Polymer Private Limited |
| 2 | Mr. Arnab Banerjee Father's Name – Mr. Dipak Banerjee Address – P-136, Kanungo Park, Garia, Kolkata- 700 084 Experience - 18 Years Occupation - Business Qualifications – B.Com, PG (Applied Computer Science) DIN – 00858108 PAN - ADPPB 7486 H | 45 years | Non-Executive Independent Director | ❖ Boolean Logic Private Limited |
| 3 | Mr. Nawratan Mall Mehta Father Name – Late Shri Deo Raj Mehta Address – FE-460, Sector-III, Salt Lake City, Kolkata- 700 106 Experience - 20 Years Occupation - Business Qualifications – B.Com(H), PG (Diploma from NIIT) DIN : 00858126 PAN - ADUPM 4103 B | 44 years | Non-Executive Director | ❖ Boolean Logic Private Limited |

| | | | | |
|---|--|----------|------------------------------------|-------------------------------|
| 4 | <p>Mrs. Asha Mehta Father's Name – Mr. Uttam Chand Jain Address – A-15 Triveni Building, 66 Walkeshwar Road, Mumbai- 400006 Experience - 20 Years Occupation - Business Qualifications – B.Com DIN: 00043841 PAN- AEOPM 4917 J</p> | 47 years | Non-Executive Director | ❖ Abok Spring Private Limited |
| 5 | <p>Mr. Krishnanand Parmanand Pant Father's Name – Late Shri Parmanand M. Pant Address – 'A' Wing Building No. 1, Lokmanya Nagar, Thane (W), Mumbai- 400 606 Experience – 20 Years Occupation - Professional Qualifications – B.Sc, Diploma in Hardware & Networking Engineering DIN:06844490 PAN- AJSPP 1357 Q</p> | 38 years | Non-Executive Independent Director | NIL |
| 6 | <p>Mr. Sanjay Kumar Verma Father's Name – Ram Prakash Verma Address – D-66, Prem Nagar, Jhotwara, Jaipur- 302 012 Experience - 25 Years Occupation - Professional Qualifications – M.Tech, MBA, MCA, B.Sc DIN:06844513 PAN- ABLPV 4193 P</p> | 45 years | Non-Executive Independent Director | NIL |

BRIEF PROFILE OF DIRECTORS

A. Mr. Kishore Mehta

Mr. Kishore Mehta aged 51 years is the Promoter and Managing Director of the Company. He is a technocrat, after completing his B.S. in Mechanical Engineering from MSR Institute of Technology, Bangalore, he did MS in Manufacturing Systems Engineering from Michigan Technological University, USA. He has rich experience in the fields of developing software products and project management. He has specialization in the field of developing process control software and quality control software. He possesses about 26 years of vast experience in the line of industry including serving on various positions in Cummins Engine Inc, USA, Swastik Castings Pvt Ltd, Abok Spring Pvt Ltd, Ecommunity India Pvt Ltd, Ecom Sysyems Pvt Ltd and Quantaplast Polymers Pvt Ltd. His broad based management and technical expertise helps us to manage overall operations of the company.

B. Mr. Arnab Banerjee

Mr. Arnab Banerjee aged 45 years is the Non-Executive Independent Director of the Company. He graduated in Commerce from University of Calcutta and has also done PG course in Applied Computer Science from CMC Ltd. He started his professional career with CMC Ltd. as Trainee Programmer in year 1995 and thereby serving with various corporate such as Computer Point Ltd., ACI Infotech Pvt. Ltd. and finally floated a Company "Boolean Logic Pvt. Ltd. in year 2000 to provide application development services. He is having vast experience of 18 years in the field of IT.

C. Mr. Nawratan Mall Mehta

Mr. Nawratan Mall Mehta aged 44 years is the Non-Executive Director of the Company. He graduated in Commerce from University of Calcutta and has also done PG diploma course from NIIT Ltd. He started his professional career with Ashok Foundry & Metal works Ltd. as Trainee to learn the practical basics to run a business enterprise. In year 1992 he started his own textile garment business and gained knowledge of fabrics and allied activities and finally floated a Company "Boolean Logic Pvt. Ltd. in year 2000 to foray in the field of IT, where he looks after all the company related issues including finance, human resource, policy making and general administration of the company. He is having rich experience of 20 years in the line of industry.

D. Mrs. Asha Mehta

Mrs. Asha Mehta aged 47 years is the Non-Executive Director of the Company. She is a graduate in commerce from Mumbai University. She has also done courses in Jewellery designing and Interior decorations. She has been looking after the human resources, policy making and general administration of the company.

E. Mr. Krishnanand Parmanand Pant

Mr. Krishnanand Parmanand Pant aged 38 years is the Non-Executive Independent Director of the Company. He is a graduate in science from Mumbai University and has also done diploma course in hardware and networking engineering. He has vast experience of 20 years in field of IT and held various executive positions in corporate. He participates in policy making and administrates the overall operations of the company.

F. Mr. Sanjay Kumar Verma

Mr. Sanjay Kumar Verma aged 45 years is the Non-Executive Independent Director of the Company. He is a graduate in science from Ajmer University, Master of Computer Application from Rajasthan University, MBA (IT) from Sikkim Manipal University and M.Tech from Karnataka State Open University. He is a technocrat and possesses about 25 years of vast experience in the line of industry including serving on number of executive positions in various corporate.

CHANGES IN BOARD OF DIRECTORS DURING LAST THREE YEARS

There has been no change in our board of Director, except the below changes:-

SOFCOM SYSTEMS LIMITED- *Information Memorandum*

| Sr. No. | Name of Director | Appointment | Cessation |
|---------|--------------------------------|-------------|-----------|
| 1. | Mrs. Asha Mehta | 19.03.2014 | ---- |
| 2. | Mr. Krishnanand Parmanand Pant | 19.03.2014 | ---- |
| 3. | Mr. Sanjay Kumar Verma | 19.03.2014 | ---- |

SHAREHOLDING OF DIRECTORS

| Sr. No. | Name of Director | No. of Shares Held | % of Total No. of Shares |
|---------|-------------------|--------------------|--------------------------|
| 1 | Mr. Kishore Mehta | 27,58,000 | 66.38% |
| 2 | Mrs. Asha Mehta | 2,58,600 | 6.22% |

Corporate Governance

Corporate Governance is administered through our Board and the Committees of the Board. In compliance with Clause 49 of the Listing Agreement with the Stock Exchange, we have formed the Audit Committee, Shareholders' / Investors Grievance Committee and Remuneration Committee. However, the primary responsibility for upholding Corporate Governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance shareholders' value vests with our Board.

Our Company being listed Company; we are in compliance with the applicable provisions of the Listing Agreements pertaining to Corporate Governance, including composition of Board of Directors, appointment of Independent Directors.

The Board of Directors of the Company consists of 6 (Six) members and out of 6 (Six) Directors 3 (Three) are Non Executive Independent Directors, 2 (Two) are Non-Executive Directors and 1(One) is Executive Director.

Our Company has constituted an Audit Committee, Remuneration Committee and Shareholders/Investor's Grievance committee, as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement to be entered with Stock Exchanges. The terms of reference of Audit Committee, Remuneration Committee and Shareholders/Investor's Grievance committee complies with the requirements of Clause 49 of the Listing Agreement, entered into with the Stock Exchanges.

In terms of the above stated provision of listing agreement, the Company constituted its Audit Committee, Remuneration Committee and Shareholder/ Investor Grievance Committee on 15th September, 2008. The constitution of the Audit Committee, Remuneration Committee and Shareholder/ Investor Grievance Committee was last modified by the Board of Directors in their meeting held on 24th March, 2014.

| Committee | Name of the Director | Designation |
|--|--------------------------------|--------------------|
| Audit Committee | | |
| | Mr. Krishnanand Parmanand Pant | Chairman |
| | Mr. Sanjay Kumar Verma | Member |
| | Mr. Arnab Banerjee | Member |
| Remuneration Committee | | |
| | Mr. Krishnanand Parmanand Pant | Chairman |
| | Mr. Sanjay Kumar Verma | Member |
| | Mr. Arnab Banerjee | Member |
| Shareholder/ Investor Grievance Committee | | |
| | Mr. Krishnanand Parmanand Pant | Chairman |
| | Mr. Sanjay Kumar Verma | Member |
| | Mr. Arnab Banerjee | Member |

BOARD PROCEDURE

The Board of Directors meets at least once in a quarter and there will be not less than 4 meetings in a year. The agenda for the meeting together with the relevant notes are circulated in accordance with the provisions of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE

Our Company is in compliance with the provisions of the clause 49 of the Listing Agreement of the Stock Exchange.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Certificates from our Statutory Auditors confirming compliance with all the conditions of the

Corporate Governance, as stipulated in clause 49 of the Listing Agreement of the Stock Exchange are in place.

CODE OF CONDUCT

The Company has adopted the Code of Conduct and ethics for Directors and Senior Management. The code has been circulated to all the Member of the Board and Senior Management and the same has been put on the company's website www.sofcomsystems.com.

COMPLIANCE WITH LISTING AGREEMENT

Our Company is listed on Jaipur Stock Exchange Limited, Calcutta Stock Exchange Limited and Madras Stock Exchange Limited has complied with the requirements under the Listing Agreement of JSEL, CSEL and MSEL. The requisite annual listing fee to the JSEL, CSEL and MSEL for the year 2012-13 and 2013-14 has been paid.

DECLARATION OF OPERATING RESULTS

We declare the Quarterly operating results which are reported to the Stock Exchange in compliance with the provisions of the Listing Agreement.

PAYMENT OR BENEFITS

No amount or benefit (other than salary) has been paid or given by Our Company within two preceding years or intended to be given to any officer of Our Company.

LOAN TAKEN BY DIRECTORS/ KEY MANAGEMENT PERSONNEL

Our Company has not provided any loan to Directors / Key Managerial Personnel.

OUR PROMOTERS

Our Promoters are Mr. Kishore Mehta and Mrs. Asha Mehta

A. Mr. Kishore Mehta

Mr. Kishore Mehta aged 51 years is the Promoter and Managing Director of the Company. He is a technocrat, after completing his B.S. in Mechanical Engineering from MSR Institute of Technology, Bangalore, he did MS in Manufacturing Systems Engineering from Michigan Technological University, USA. He has rich experience in the fields of developing software products and project management. He has specialization in the field of developing process control software and quality control software. He possesses about 26 years of vast experience in the line of industry including serving on various executive positions at leading organizations. His broad based management and technical expertise helps us to manage overall operations of the company.

Identification

| Particulars | Details |
|--------------------------|---------------|
| Name | Kishore Mehta |
| Permanent Account Number | AEOPM 4918 H |
| Passport No. | F5025162 |

B. Mrs. Asha Mehta

Mrs. Asha Mehta aged 47 years is the Non-Executive Director of the Company. She is a graduate in commerce from Mumbai University. She has also done courses in Jewellery designing and Interior decorations. She has been looking after the human resources, policy making and general administration of the company.

Identification

| Particulars | Details |
|--------------------------|--------------|
| Name | Asha Mehta |
| Permanent Account Number | AEOPM 4917 J |
| Passport No. | F5025160 |

OUR PROMOTER GROUP**Promoter Group Entities as per Regulation 2 sub regulation (zb) of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009**

a) The immediate relative(Individual) of the promoter

| Relationship | Mr. Kishore Mehta | Mrs. Asha Mehta |
|---------------------|--|---|
| Father | Late Shri Deo Raj Mehta | Mr. Uttam Chand Jain |
| Mother | Late Smt. Kushal Devi | Mrs. Maina Devi |
| Spouse | Mrs. Asha Mehta | Mr. Kishore Mehta |
| Brother | Mr. Ugamraj Mehta Mr. A.K. Mehta Mr. Rajendra Mehta Mr. Ramesh Mehta Mr. Nawratan Mall Mehta | Mr. Bhanwar U. Jain Mr. Kamal U. Jain Mr. Anil U. Jain |
| Sister | N.A. | N.A. |
| Son | Mr. Bhavik Mehta | Mr. Bhavik Mehta |
| Daughter | N.A. | N.A. |
| Spouse's Father | Mr. Uttam Chand Jain | Late Shri Deo Raj Mehta |
| Spouse's Mother | Mrs. Maina Devi | Late Smt. Kushal Devi |
| Spouse's Brother | Mr. Bhanwar U. Jain Mr. Kamal U. Jain Mr. Anil U. Jain | Mr. Ugamraj Mehta Mr. A.K. Mehta Mr. Rajendra Mehta Mr. Ramesh Mehta Mr. Nawrattan Mall Mehta |
| Spouse's Sister | N.A. | N.A. |

b) Companies, Firms and HUFs which form part of our Promoter Group are as follows:

| S.No. | Nature of Relationship | Entity |
|--------------|---|---------------------------------|
| (1) | Any company in which 10% or more of the share capital is held by the Promoter or an immediate relative of the | M/s Abok Spring Private Limited |

| | | |
|-----|--|---|
| | Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relative is a member | |
| (2) | Any company in which a company mentioned in (1) above, holds 10% or more of the total share capital | ---- |
| (3) | Any HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total holding | Firms: - N.A. HUFs:- M/s Kishore Mehta (HUF) |

OUR GROUP ENTITIES

1. ABOK SPRING PRIVATE LIMITED

Corporate Information

Abok Spring Pvt. Ltd. was originally incorporated on 17.12.1969 as Ashok Foundry And Metal Works Pvt. Ltd. vide Certificate of Incorporation issued by the Registrar of Companies, Rajasthan at Jaipur. Further the fresh certificate of Incorporation consequent upon change of name into Abok Spring Pvt. Ltd. was issued dated 06.03.2003. The CIN of Abok Spring Pvt. Ltd. is U27102RJ1969PTC001280.

Main Objects

The main object of the Company is to carry on the business of all or any of iron and steel founders, steel melters, steel makers, steel shapers and manufacturers, mechanical, civil, electrical and general engineers and fabricators, contractors, tool makers, brass founders, metal workers, manufacturers of steel metal and malleable grey, castings including ferrous, non-ferrous, special and alloy steel, spring steel, forging quality steel, manufacturers/processors of all types of automobile components, forged components, railway track and wagon components, signal equipments and all other type of railway components and accessories, alloys, nut-bolts, steel rounds, nails, tools, all types of hard ware items, all types of springs, spring washers, grease cups, grease nipples, oil cups and cones, heavy and light machinery, boilers, architectural fittings, sanitary fittings, pipe and pipe fittings, metallurgists, gas and electrical engineers and manufacturers, plate-makers, wire-drawers, tube manufacturers, galvanizers, Japaners, re-rollers, annealers, enamellers and electro-platers and to buy, sell, take on lease or hire sell, import, export, manufacturer, process, repair, convert, let on hire or otherwise deal in such products, their raw materials, stores, packing materials, by-products and allied commodities, machineries, rolling stock, implements, tools, utensils, ground tools, materials and conveniences of all kinds and generally to carry on the said business in all or any of its branches, and to take over all or any of the assets and liabilities of Jaipur unit of Ashok Foundry and Metal Works a partnership firm of Calcutta.

To manufacture, repair, convert, alter, process, export, buy, sell or deal in all sorts of automatic controls-thermal, hydraulic, magnetic, all types of tools, dies, relays, agricultural, industrial and scientific instruments, appliances and apparatus, electrical parts and accessories, all kinds of machinery, plants, fittings., stores implements and all other materials required for planning, processing, finishing, machining and packing of all such products and to manufacture, process, buy,

sell, import, export or otherwise deal in such products, their raw materials, stores, packing materials, by-products and allied commodities.

To search, prospect, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export or otherwise deal in iron, iron ore, all kinds of metal, metalliferous ores, marble, lime stone, mica, brick, earth, fire-clay, silicon, manganese and all other minerals and substances whatsoever and to manufacture, sell, buy, import, export and otherwise deal in any of such articles and commodities and to carry on the business of manufacture of bricks, tiles, pipes, pottery, earthenware and ceramic wares of all kinds and any other items or commodity in which any of the material stated in this clause is used.

Interest of Promoters

Our Promoter, Mr. Kishore Mehta holds 36.61% and Mrs. Asha Mehta holds 7.41% shares in the Company.

HINDU UNDIVIDED FAMILY WITHIN OUR GROUP ENTITIES

| Sr. No. | Name of HUF and PAN | Name of Karta | Members of HUF |
|---------|---|-------------------|--|
| 1 | Kishore Mehta (HUF) PAN – AACHK 2141 N | Mr. Kishore Mehta | Mr. Kishore Mehta Mrs. Asha Mehta Mr. Bhavik Mehta |

SECTION V – OUTSTANDING LITIGATION & MATERIAL DEVELOPMENT

There are no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding or tax liabilities against our Company, Promoters, Directors, Promoter Group Companies that would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional/ bank dues that would have a material adverse effect on our business.

MATERIAL DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this Information Memorandum, any circumstances which materially and adversely affect or are likely to affect the performance and prospects of the Company in any manner.

SECTION VI – DISCLAIMER CLAUSE OF BSE

As required, a copy of this Information Memorandum is being submitted to BSE.
The BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company's securities will be traded or will continue to be traded on the BSE; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to acquire any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copies of Information Memorandum have been filed with BSE in due compliance.

Listing

Application has been made to BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has already taken steps for the completion of necessary formalities for commencement of trading at the Stock Exchanges mentioned above.

SECTION VII- MATERIAL DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company, as amended.
2. Certificate of Incorporation dated 9th June, 1995 of the Company.
3. Certificate for Commencement of business dated 16th June, 1995 of the Company.
4. Copies of Financial statement of Sofcom Systems Limited for the last five financial years ended 31st March, 2014, 31st March, 2013, 31st March, 2012, 31st March, 2011 and 31st March, 2010.
5. Copy of Prospectus dated 22nd January, 1996 issued by the Company for Initial Public Offer.

SECTION VIII- DECLARATION

All relevant provisions of the Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable) and all the legal requirements connected with the Direct Listing as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with and no statements made in this Information Memorandum are contrary to the provisions of the Companies Act, 1956 and the Companies Act, 2013(to the extent applicable), the Securities and Exchange Board of India Act, 1992 or the rules made there under or regulations issued, as the case may be. We further certify that all the statements in this Information Memorandum are true and correct.

ON BEHALF OF THE BOARD OF DIRECTORS

For, SOFCOM SYSTEMS LIMITED

PLACE: JAIPUR

DATE: 28.05.2014

MR. KISHORE MEHTA

MANAGING DIRECTOR