

# SOFCOM



**SOFCOM Systems Ltd.**

D-36, Subhash Marg,

Flat No. 802,

Sheel Mohar Apartment,

C- Scheme, Jaipur – 302001

Tele:91-141-2340221/2346283

Fax: 91-141-2348019

<http://www.sofcomsystems.com>

Email –sofcomsystemsltd@gmail.com

CIN-L72200RJ1995PLC10192

## **FORM-A**

(For Audit Report with unmodified opinion)

[Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

1.	Name of the Company	SOFCOM SYSTEMS LIMITED
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2017
3.	Type of Audit Observation	Un-Qualified
4.	Frequency of observations	Not Applicable

Signed by-

**For R.MOHNOT & CO. LLP**

Chartered Accountants

FRN. 001654C/C400008



*Vishal Agarwal*  
**VISHAL AGARWAL**

Partner

Membership No. 411594

Signed by-

**For and on behalf of Board of Directors**

*Navratan Mall Mehta*

**NAWRATAN MALL MEHTA**

Director

DIN: 00858126

*Kishore Mehta*

**KISHORE MEHTA**

Managing Director

DIN:- 00043865

*Krishnanand Parmanand Pant*

**KRISHNANAND PARMANAND PANT**

Audit Committee Chairman

DIN: 06844490

Date: 29<sup>th</sup> May, 2017

Place : JAIPUR

# R. MOHNOT & CO. LLP

Chartered Accountants

## AUDITORS' REPORT

To the Members

**SOFCOM SYSTEMS LIMITED**

### Report to the Standalone financial statements

We have audited the accompanying standalone financial statements of **SOFCOM SYSTEMS LIMITED** which comprise the Balance Sheet as at **March 31st, 2017**, the statement of Profit and Loss and 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.

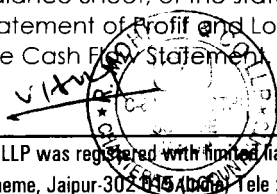
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud 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 on the financial statements.

### 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 31st March, 2017;
- (b) in the case of Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



LLP Registration No. AAF-2163 (The LLP was registered with limited liability by way of conversion of R. Mohnot & Co. Partnership firm w.e.f. 24.11.2015)

Head Office : C-68, Lal Kothi Scheme, Jaipur-302 015 (India) | Tele : 91 - 141 -2741517,2742718, Fax : 91-141-2742073, e-mail : rsmohnot@dil.in

Branch Office : 601, Aurus Chambers, S.S. Amruteshwar Marg. Behind Mahindra Tower, Worli, Mumbai- 400 013 | Tele : 91-22-61343900, Fax : 91- 22-61343902

**R. MOHNOT & CO. LLP**  
Chartered Accountants

**AUDITORS' REPORT CONTD..**

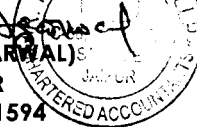
**Report on other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 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 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of the such controls, refer to our report in "**Annexure B**"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) 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.
    - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note (21.12) in financial statements.

Jaipur  
May 29, 2017

For **R.MOHNOT & CO. LLP**  
**CHARTERED ACCOUNTANTS**  
FIRM REGISTRATION NO.: 001654C/C400008

*Vishal Agarwal*  
(VISHAL AGARWAL)  
PARTNER  
M. No : 411594



# R. MOHNOT & CO. LLP

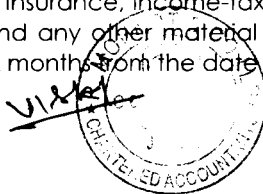
Chartered Accountants

## ANNEXURE-" A " TO THE AUDITOR'S REPORT

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

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties in its name.
- ii. The inventory have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt within the books of accounts.
- iii. The company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) & (c) are not applicable.
- iv. According to the information & explanation given to us and on the basis of our examination of the records of the Company, the company has not given any loans, guarantees, and security in contravention of Section 185 of the Companies Act, 2013. However the Investments made by the Company are in compliance with the provisions of Section 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 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 the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a. According to the information & explanation given to us and on the basis of our examination of the records of the Company amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities (except central Sales Tax).

According to the information & explanation given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they become payable.



LLP Registration No. AAF-2163 (The LLP was registered with limited liability by way of conversion of R. Mohnot & Co. Partnership firm w.e.f. 24.11.2015)

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**R. MOHNOT & CO. LLP**  
Chartered Accountants

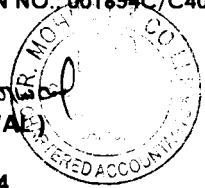
**ANNEXURE-" A " TO THE AUDITOR'S REPORT CONTD..**

- b. As per records of the Company and in accordance with the information and explanation given to us, there are no dues of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loans from financial institutions, Government and debenture holders.
- ix. The company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, accordingly this clause is not applicable.
- x. According to the information & explanation given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has not given any managerial remuneration during the year, accordingly this clause is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us and based on our examination of the records of the company, the company is not doing any financing activity, accordingly the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 .

Jaipur  
May 29, 2017

For **R.MOHNOT & CO. LLP**  
**CHARTERED ACCOUNTANTS**  
FIRM REGISTRATION NO : 001654C/C400008

*Vishal Agarwal*  
(VISHAL AGARWAL)  
PARTNER  
M. No : 411594



# R. MOHNOT & CO. LLP

Chartered Accountants

## ANNEXURE - 'B' TO THE AUDITOR'S REPORT

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

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

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

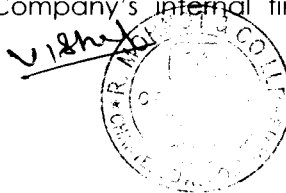
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



# R. MOHNOT & CO. LLP

Chartered Accountants

## ANNEXURE - 'B' TO THE AUDITOR'S REPORT CONTD..

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

For R.MOHNOT & CO. LLP  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 001654C/C400008

  
( VISHAL AGARWAL )  
PARTNER

M. No : 411594

Jaipur  
May 29, 2017

# SOFCOM



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CIN-L72200RJ1995PLC10192

Date: 29<sup>th</sup> May, 2017

To,

**The Manager (Department of Corporate Affairs)**

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai- 400001

**SCRIP CODE: 538923; SCRIP NAME: SOFCOM**

**Subject: Outcome of Board Meeting held on Monday, 29<sup>th</sup> May, 2017**

**Ref: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015**

Dear Sir/Madam,

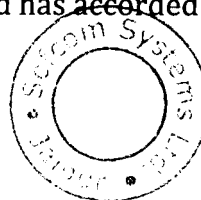
This is to inform that Board of Directors of the Company in its meeting held on Monday, 29<sup>th</sup> May, 2017 at the registered office of the company i.e. D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme Jaipur, Rajasthan which commenced at 02:00 P.M. and concluded at 05:30 P.M. have considered, approved and taken on record the Audited Financial Results of the Company for the quarter and year ended 31<sup>ST</sup> March, 2017 along with the Report of the Auditors on the same in the prescribed format. The outcome of the meeting is detailed below. Please note it in your records and kindly acknowledge.

**1. To confirm and approve the minutes of the previous meeting of board of directors held on 09<sup>th</sup> February, 2017.**

The minutes of the meeting of Board of Directors which was held on 09<sup>th</sup> February, 2017 were placed before the board. The Chairman along with other Board Members approved it.

**2. To consider and approve the proceedings of the Audit Committee held on 27<sup>th</sup> May, 2017.**

The proceedings of the Audit Committee duly held on Saturday, 27<sup>th</sup> May, 2017 at 10:00 A.M. were placed before the Board and the Board has accorded the approval for the same.





**SOFCOM SYSTEMS LIMITED**  
**BALANCE SHEET AS ON 31ST MARCH, 2017**

	Note	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>I. EQUITY AND LIABILITIES:</b>			
<b>1. Shareholders' Funds:</b>			
a. Share Capital	1	46315500	46315500
b. Reserves & Surplus	2	(2357592)	(544508)
c. Amount received against share warrants		-	-
		<b>43957908</b>	<b>45770992</b>
2. Share Application Money Pending Allotment		-	-
<b>3. Non-current liabilities:</b>			
a. Long-Term Borrowings		-	-
b. Deferred Tax Liabilities(net)	3	-	12782
c. Other Long -Term Liabilities		-	-
d. Long - Term Provisions		-	-
<b>4. Current liabilities:</b>			
a. Short -Term Borrowings	4	23668674	27442452
b. Trade Payables		-	-
c. Other Current Liabilities	5	1229412	779961
d. Short -Term Provisions	6	-	92500
		<b>24898086</b>	<b>28314913</b>
<b>TOTAL</b>		<b>68855994</b>	<b>74098687</b>
<b>II. ASSETS:</b>			
<b>1. Non-Current Assets:</b>			
a. Fixed Assets:			
Tangible Assets	7	114779	114779
Intangible Assets		-	-
Capital Work-in-Progress		-	-
Intangible assets under development		-	-
b Non-Current Investments	8	51012750	51012750
c. Deferred tax assets (net)	9	789588	-
d. Long Term Loans and Advances	10	533004	533004
		<b>52450121</b>	<b>51660533</b>
<b>2. Current assets:</b>			
a. Current Investments		-	-
b. Inventories	11	10675350	-
c. Trade Receivables	12	5075270	11333641
d. Cash and cash equivalents	13	655253	416943
e. Short Term loans and advances	14	-	10687570
		<b>16405873</b>	<b>22438154</b>
<b>TOTAL</b>		<b>68855994</b>	<b>74098687</b>
<b>Significant accounting policies and notes on accounts</b>	21	-	-

In terms of our report of even date attached

For **R.MOHNOT & CO. LLP**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO.: 001654C/C400008**

*Vishal Agarwal*  
**(VISHAL AGARWAL)**

Partner

M.No. 411594

Jaipur

May 29, 2017

For & On behalf of the Board of Directors

**KISHORE MEHTA**  
DIN :00043865

*K Mehta*  
**MANAGING  
DIRECTOR**

**NAWRATAN MALL MEHTA**  
DIN :00858126

*N Mall Mehta*  
**DIRECTOR**

**ANSHU KANOONGO** COMPANY SECRETARY  
M.No: A27905

*Anshu Kanoongo*

