

# SOFCOM SYSTEMS LIMITED

## NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the company will be held on Tuesday, the 11th day of September, 2012 at 12:00 A. M. at the registered office of the company to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Director's Report, Audited Annual Accounts of the company for the year ended on 31st March, 2012 and the Auditors' Report thereon.
2. To appoint the auditors to hold office until the conclusion of next Annual General Meeting and to fix their remuneration.
3. To appoint a Director in place of Shri Arnab Banerjee who retires by rotation and being eligible, offers himself for reappointment.

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

Jaipur  
August 14, 2012

### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. Members are requested to notify immediately any change in their address to the Company.

By the Order of the Board

  
(Kishore Mehta)  
Director  
DIN :00043865

# SOFCOM SYSTEMS LIMITED

## DIRECTOR'S REPORT

To the Members of  
**SOFCOM SYSTEMS LIMITED**  
JAIPUR

Your Directors are pleased to present their 17th Annual Report and the Audited statement of accounts for the year ended 31st March, 2012.

| FINANCIAL RESULTS                      | Amount in rupees |             |
|--|------------------|-------------|
|  | 2012             | 2011        |
| Sales and Other Income                 | 260,000          | 325,000     |
| Profit before Depreciation             | 63,567           | 66,014      |
| Depreciation                           | 66,777           | 67,164      |
| Profit/(Loss) before Taxation          | (3,210)          | (1,150)     |
| Provision for Taxation                 |                  |             |
| Current Tax                            |                  |             |
| Net Profit/(Loss) after tax            | (3,210)          | (1,150)     |
| Balance brought forward from last year | (1,576,204)      | (1,575,054) |
| Balance Carried to Balance Sheet       | (1,579,414)      | (1,576,204) |

### OVERVIEW & OPERATIONS

The company is continuously stressing on development of software products. The commercial operations could not be undertaken on full swing due to more stress on software product and market development.

### FUTURE PROSPECTS & PLANS

The Directors are hopeful that performance of the Company would be satisfactory in the current year due to propose range of services and product developments, which the company proposes to take up.

### FINANCE

The allotment money for the public issue could not be realized this year too.

### DIVIDEND

In view of losses, no dividend is declared.

### AUDITORS

The company's auditors, M/s. R.Mohnot & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and eligible for reappointment. The members are requested to appoint auditors and to fix their remuneration.

## DIRECTORS REPORT (CONTD.)

### DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of section 217(2AA) of the Companies Act, 1956, your directors confirm that :

1. in preparation of annual accounts, the applicable accounting standards had been followed and there was no material deviation there from.
2. such accounting policies had been selected and applied consistently and such judgments and estimates had been made that were reasonable and prudent so as to give a true and fair view, in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012 and in the case Statement of Profit & Loss, of the Loss of the Company for the year ended on that date.
3. proper and sufficient care had been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the annual accounts had been prepared on a going concern basis.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

The company was not engaged in any activities hence no information on conservation of energy and technology absorption is given.

Foreign Exchange Earnings : NIL

Foreign Exchange Outgo : NIL

### DIRECTORS

Shri Arnab Banerjee retires by rotation and is eligible for reappointment.

### EMPLOYEES

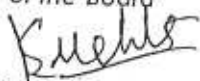
As there is no employee in the company, no disclosure u/s 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given.

### REGISTERED OFFICE:

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

Jaipur  
August 14, 2012

For & on behalf of the Board

  
(Kishore Mehta)  
Director

DIN :00043865

  
(Nawraton Mall Mehta)  
Director

DIN :00858126

R. MOHNOT & CO.  
Chartered Accountants

AUDITOR'S REPORT

Members  
SYSTEMS LIMITED

audited the attached Balance Sheet of SOFCOM SYSTEMS LIMITED as at 31st March, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

Conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters referred therein.

In response to our comments in the annexure (1) referred to above, we report that :

We have obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purpose of our audit;

In our opinion, proper books of account as required by the law have been kept by the company so far as appears from our examination of those books;

The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

In our opinion, the Balance Sheet and Statement of Profit & Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

On the basis of written representations received from the directors and taken on record by the board of directors, we report that as on 31st March, 2012, none of the director is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with accounting policies and the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012, and  
in the case of Statement of Profit and Loss, of the Loss for the year ended on 31st March, 2012,  
in the case of Cash Flow Statement of the cash flows for the year ended on 31st March, 2012.

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

( NARENDER MITTAL )  
PARTNER  
M.No.72715



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

**ANNEXURE TO THE AUDITOR'S REPORT**  
(Referred to in Paragraph 3 of our report of even date)

To The Members of  
**Sofcom Systems Limited**  
Jaipur

- i. a) As informed by the management, the company has maintained proper records of fixed assets showing full particulars including quantitative details and location of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management during the year at regular intervals, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) The company has not disposed of any fixed assets during the year. Accordingly, the going concern status of the company, on account of disposal of fixed assets, is not affected.
- ii. The company does not have any inventories.
- iii. a. The company has granted interest free unsecured loans, to two party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.50,35,250/- and the year end balance of such loans was Rs. 6,00,000/-. As the loans are interest free and no repayment terms are stipulated, sub clause (b),(c) and (d) are not applicable.
- b. The Company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. In view of it, sub-clauses (e) to (g) are not applicable.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. According to the information and explanations given to us, we are of the opinion that company has not entered into any transactions that are needed to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit in contravention of section 58A and 58AA and any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In view of no major business activity, no internal audit was done during the year.
- viii. The Central Government has not prescribed maintenance of cost records u/s. 209(1)(d) of the Companies Act, 1956 for the product of the company.
- ix. a. The company is generally regular in depositing undisputed statutory dues including provident fund, Investor education and Protection Fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty cess and other statutory dues with appropriate authorities, wherever applicable to it.
- b. According to the information and explanations given to us, as at 31st March, 2012, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears for a period exceeding six months from the date they became payable.
- c. As per records of the company and in accordance with the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.



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

**ANNEXURE TO THE AUDITOR'S REPORT (CONTD..)**

- x. The accumulated losses of the company are not more than 50% of the Net Worth of the company at the end of this financial year. The company has not incurred cash losses in the current financial year, and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not taken any loan from the Banks, Financial Institutions and Debenture Holders.
- xii. The company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion and according to the information and explanations given to us, the company has maintained proper records of transactions and contracts on respect of investments made by it and timely entries have been made therein. The investments are held by the company in its own name.
- xv. According to the information and explanation given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion, the company has not taken any term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investments.
- xviii. During the year, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. During the year, the company has not issued any debentures.
- xx. During the year, the company has not raised any money by way of public issue.
- xxi. In our opinion, on the basis of audit conducted by us and in accordance with the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Jaipur  
August 14, 2012

For R. MOHNOT & CO.  
FIRM REGISTRATION NO.: 001654C  
CHARTERED ACCOUNTANTS  
  
( NABENDER MITTAL ) LAL KOTHI  
PARTNER SCHEME  
M. No : 727 JAIPUR  
CHARTERED ACCOUNTANTS



# SOFCOM SYSTEMS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2012

|   | Note | As at<br>31.03.2012<br>Rs. | As at<br>31.03.2011<br>Rs. |
|---|------|----------------------------|----------------------------|
| <b>I. EQUITY AND LIABILITIES:</b>                     |      |                            |                            |
| 1. <u>Shareholders' Funds:</u>                        |      |                            |                            |
| a. Share Capital                                      | 1    | 37835500                   | 37835500                   |
| b. Reserves & Surplus                                 | 2    | (1579412)                  | (1576204)                  |
|   |      | 36256088                   | 36259296                   |
| 2. Share Application Money Pending Allotment          |      |                            |                            |
| 3. <u>Non-current liabilities:</u>                    |      |                            |                            |
| a. Long-Term Borrowings                               |      |                            |                            |
| 4. <u>Current liabilities:</u>                        |      |                            |                            |
| a. Other Current Liabilities                          | 3    | 816042                     | 624559                     |
| b. Short Term Borrowings                              |      |                            | 86203                      |
|   |      | 816042                     | 710762                     |
| <b>TOTAL</b>  |      | 37072130                   | 36970058                   |
| <b>II. ASSETS:</b>                                    |      |                            |                            |
| 1. <u>Non-Current Assets:</u>                         |      |                            |                            |
| a. Fixed Assets:                                      |      |                            |                            |
| Tangible Assets                                       | 4    | 130452                     | 197228                     |
| Intangible Assets                                     |      |                            |                            |
| Capital Work-in-Progress                              |      |                            |                            |
| b. Non-Current Investments                            | 5    | 34292750                   | 31024750                   |
| c. Long Term Loans and Advances                       | 6    | 1003254                    | 1003254                    |
|   |      | 35426456                   | 32225232                   |
| 2. <u>Current assets:</u>                             |      |                            |                            |
| a. Cash and Cash Equivalents                          | 7    | 645674                     | 309576                     |
| b. Short-Term Loans and Advances                      | 8    | 1000000                    | 4435250                    |
|   |      | 1645674                    | 4744826                    |
| <b>TOTAL</b>  |      | 37072130                   | 36970058                   |
| Significant accounting policies and notes on accounts |      |                            |                            |
|   | 11   |                            |                            |

In terms of our report of even date attached

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

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

Jaipur

AUGUST 14, 2012

For & On behalf of the Board of Directors

KISHORE MEHTA  
DIN :00043865

  
 DIRECTOR

NAWRATAN MALL MEHTA  
DIN :00858126

  
 DIRECTOR

# SOFCOM SYSTEMS LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

|   | Note | For the<br>Year ended<br>31.03.2012<br>Rs. | For the<br>Year ended<br>31.03.2011<br>Rs. |
|---|------|--|--|
| <b>I. INCOME</b>  |      |  |  |
| Revenue from operations   | 9    | 260000                                     | 325000                                     |
| <b>Total Revenue</b>  |      | <b>260000</b>                              | <b>325000</b>                              |
| <b>II. EXPENSES</b>   |      |  |  |
| Administrative and Other Expenses   | 10   | 196433                                     | 258986                                     |
| Depreciation  | 4    | 66777                                      | 67164                                      |
| <b>Total Expenses</b>   |      | <b>263210</b>                              | <b>326150</b>                              |
| <b>Profit / (Loss) Before Extraordinary and Exceptional Items and Tax</b> |      | <b>(3210)</b>                              | <b>(1150)</b>                              |
| Extraordinary/ Exceptional Items  |      | -  | -  |
| <b>Profit / (Loss) Before Tax</b>   |      | <b>(3210)</b>                              | <b>(1150)</b>                              |
| Less : Provision for Taxation   |      | -  | -  |
| Current tax   |      | -  | -  |
| <b>Profit / (Loss) After Tax</b>  |      | <b>(3210)</b>                              | <b>(1150)</b>                              |
| Basic & Diluted Earning per share   |      | (0.00)                                     | (0.00)                                     |

Significant accounting policies and notes on accounts

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In terms of our report of even date attached

For & On behalf of the Board of Directors

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

KISHORE MEHTA  
DIN : 00043865

*K. Mehta*  
DIRECTOR

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



NAWRATAN MALL MEHTA  
DIN : 00858126

*N. Mehta*  
DIRECTOR

Jaipur  
August 14, 2012



# SOFCOM SYSTEMS LIMITED

units forming part of the financial statements

|   | As at<br>31.03.2012<br>Amount (Rs.) | As at<br>31.03.2011<br>Amount (Rs.) |
|---|-------------------------------------|-------------------------------------|
| <b>EQUITY CAPITAL:</b>  |                                     |                                     |
| <b>Equity Capital</b>   |                                     |                                     |
| 100 (Previous year : 65,00,000) Equity Shares of Rs.10/- each | 65000000                            | 65000000                            |
|   | 65000000                            | 65000000                            |
| <b>Subscribed And Fully Paid-Up Capital</b>                   |                                     |                                     |
| 100 Equity Shares of Rs. 10/- each fully paid up              | 30170000                            | 30170000                            |
| Previous year : 30,17,000 Equity Shares each fully paid up)   |                                     |                                     |
| 100 Equity Shares of Rs. 10/- each fully called up            | 30350000                            |                                     |
| Previous year 30,35,000 Equity Shares of Rs.10/- each)        |                                     |                                     |
| Unpaid Money due (22684500)                                   | 7665500                             | 7665500                             |
| <b>TOTAL</b>  | 37835500                            | 37835500                            |

(Percentage of shareholding of shareholders holding more than 5% shares in the company)

| Shareholder  | As at 31.03.2012 |                | As at 31.03.2011 |                |
|--------------|------------------|----------------|------------------|----------------|
|              | %                | No. of Shares  | %                | No. of Shares  |
| Mr. Mehta    | 30.70            | 1857900        | 30.70            | 1857900        |
| <b>Total</b> | <b>30.70</b>     | <b>1857900</b> | <b>30.70</b>     | <b>1857900</b> |

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

Statement of opening and closing number of Equity Shares

|  | As at 31.03.2012 | As at 31.03.2011 |
|--|------------------|------------------|
| Equity shares outstanding at the beginning of the year | 6052000          | 6052000          |
| Equity shares issued during the year                   | -                | -                |
| Equity shares bought back during the year              | -                | -                |
| Equity shares outstanding at the end of the year       | 6052000          | 6052000          |

Details attached to shares issued subscribed & paid-up

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

**RESERVE & SURPLUS:**

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Profit/(Loss)                        |           |           |
| Balance                              |           |           |
| Profit/(loss) for the current period | (1576202) | (1575054) |
| Balance available for Appropriation  | (3210)    | (1150)    |
| Provisions                           | (1579412) | (1576204) |
| Balance                              | (1579412) | (1576204) |

**CURRENT LIABILITIES:**

|                                   |        |        |
|-----------------------------------|--------|--------|
| Provision for Contingent Expenses |        |        |
| Liabilities Payable               | 603900 | 563650 |
|                                   | 212142 | 60909  |
| <b>TOTAL</b>                      | 816042 | 624559 |

**SOFCOM SYSTEMS LIMITED**

Notes on accounts forming part of the financial statements  
FOR THE YEAR ENDED 31ST MARCH, 2012

**NOTE '4' : FIXED ASSETS**

| S. No.   | Particulars              | Gross Block       |          |           | Depreciation             |                  | Net Carrying Value     |                       |                    |                    |
|----------|--------------------------|-------------------|----------|-----------|--------------------------|------------------|------------------------|-----------------------|--------------------|--------------------|
|          |                          | Balance 01.4.2012 | Addition | Disposals | Balance As at 31.03.2012 | As at 31.03.2011 | Disposals For the Year | Upto As at 31.03.2012 | Balance 31.03.2011 | Balance 31.03.2012 |
| <b>A</b> | <b>Tangible Assets</b>   |                   |          |           |                          |                  |                        |                       |                    |                    |
| 1        | Computer Equipment       | 142492            | -        | -         | 142492                   | 1353742          | -                      | 1353742               | 71250              | 71250              |
| 2        | Furniture & Fixtures     | 83872             | -        | -         | 83872                    | 71022            | -                      | 76331                 | 12850              | 12850              |
| 3        | Office Equipments        | 64614             | -        | -         | 64614                    | 40825            | -                      | 43894                 | 23789              | 23789              |
| 4        | Motor Car                | 618804            | -        | -         | 618804                   | 529465           | -                      | 58399                 | 89339              | 89339              |
| <b>B</b> | <b>Intangible Assets</b> |                   |          |           |                          |                  |                        |                       |                    |                    |
|          | <b>Total</b>             | <b>2192282</b>    | <b>-</b> | <b>-</b>  | <b>2192282</b>           | <b>1995054</b>   | <b>-</b>               | <b>66777</b>          | <b>130451</b>      | <b>197228</b>      |
|          | <b>Previous Year</b>     | <b>2192282</b>    | <b>-</b> | <b>-</b>  | <b>2192282</b>           | <b>1927890</b>   | <b>67164</b>           | <b>1995054</b>        | <b>197228</b>      | <b>264392</b>      |

Amount(Rs.)



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# SOFCOM SYSTEMS LIMITED

Notes on accounts forming part of the financial statements

|   | As at<br>31.03.2012<br>Amount (Rs.) | As at<br>31.03.2011<br>Amount (Rs.) |
|---|-------------------------------------|-------------------------------------|
| <b>NOTE '5' : NON CURRENT INVESTMENT:</b>   |                                     |                                     |
| <u>Other Investments ( Unquoted)- Non Trade ( At Cost)</u>  |                                     |                                     |
| Investment in equity instruments ( Fully Paid Up)   |                                     |                                     |
| 10000 ( March 31, 2011: 10000) equity shares of Rs.10/- each<br>Vaishali Urban Co-operative Bank Limited    | 10000                               | 10000                               |
| 104986 ( March 31, 2011: 98450 ) equity shares of Rs.100/- each<br>Abok Spring Pvt Ltd . Associated Concern | 3429750                             | 31011750                            |
| National Saving Certificate (Pledged with Sales Tax)  | 3000                                | 3000                                |
|   | <b>34292750</b>                     | <b>31024750</b>                     |
| <b>NOTE '6' : LONG-TERM LOANS AND ADVANCES:</b>   |                                     |                                     |
| <u>Other Loans and Advances</u>   |                                     |                                     |
| Security Deposit  |                                     |                                     |
|   | 1003254                             | 1003254                             |
| <b>TOTAL</b>  | <b>1003254</b>                      | <b>1003254</b>                      |
| <b>NOTE '7' : CASH AND CASH EQUIVALENTS:</b>  |                                     |                                     |
| Cash in hand  | 639444                              | 303993                              |
| <u>Balance with Banks:</u>  |                                     |                                     |
| In Current Accounts   | 6230                                | 5583                                |
| <b>TOTAL</b>  | <b>645674</b>                       | <b>309576</b>                       |
| <b>NOTE '8' : SHORT-TERM LOANS AND ADVANCES:</b>  |                                     |                                     |
| <u>Unsecured, considered good</u>   |                                     |                                     |
| To Related Parties  | 600000                              | 4435250                             |
| To Others   | 400000                              |                                     |
| <b>TOTAL</b>  | <b>1000000</b>                      | <b>4435250</b>                      |
| <b>NOTE '9' : REVENUE FROM OPERATIONS:</b>  |                                     |                                     |
| Service Income - Consultancy Receipts   | 260000                              | 325000                              |
| <b>TOTAL</b>  | <b>260000</b>                       | <b>325000</b>                       |
| <b>NOTE '10' : ADMINISTRATIVE AND OTHER EXPENSES:</b>   |                                     |                                     |
| Payment to Auditor  |                                     |                                     |
| - Audit Fee:  | 16854                               | 16545                               |
| - Taxation Matters  | 2809                                | 2758                                |
| - Other Services  | 13120                               | 6500                                |
| Fees & Subscription   | 40250                               | 40250                               |
| Legal & Professional Expenses   |                                     | 20500                               |
| Computer Expenses   |                                     | 2500                                |
| Office Rent   | 120000                              | 120000                              |
| Postage & Telephone Expenses  |                                     | 47287                               |
| Bank Commission & Charges   | 3400                                | 2646                                |
| <b>TOTAL</b>  | <b>196433</b>                       | <b>258986</b>                       |



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# SOFCOM SYSTEMS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012.

## NOTE '11' : NOTES TO ACCOUNTS:

### 1. SIGNIFICANT ACCOUNTING POLICIES :

#### i. Basis of Accounting

The financial statements are prepared under the historical cost convention on accrual basis and are generally in accordance with the requirements of the Companies Act, 1956. The accounting policies not specifically mentioned are consistent with generally accepted accounting principles.

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

#### ii. Revenue Recognition

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

#### iii. Investments

The investments are stated at cost. Provision for diminution is made to recognise for decline, other than temporary in the nature of long term investments.

#### iv. Fixed Assets

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

#### v. Impairment

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

#### vi. Depreciation

The Company is providing depreciation on straight line method as per rates given in Schedule XIV of the Companies Act, 1956 on *pro rata* basis for the period of use.

#### vii. Inventories

The stock has been valued at lower of cost or net realisable value.

#### viii. Taxes on income

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

#### ix. Foreign Currency Transaction

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

#### x. Contingent Liabilities

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



**SOFCOM SYSTEMS LIMITED**

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012.

**2. NOTES ON ACCOUNTS:**

1. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
2. No amount due/ payable to any Micro, Small & Medium Enterprises.
3. The company has not recognised deferred tax asset on carry forward of tax losses and depreciation, as there is no virtual certainty that such deferred tax asset will be realised against future taxable profits.

**4. Segment Reporting**

(a) Primary Segment (Business Segment) : The Company's operations comprises of only one segment i.e., Consultancy.

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

5. Contingent Liabilities:- NIL
6. In the opinion of management, loans & advances and investments are approximately of the value stated, if realised in the ordinary course of business unless and otherwise stated. The provisions of all liabilities are adequate and not in excess of the amount reasonably necessary.
7. C.I.F Value of Imports NIL NIL
8. F.O.B. value of exports NIL NIL
9. Expenditure in foreign currency NIL NIL
10. Disclosure as required by Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as follows :

a) Relationship

- i. Key Management Personnel & their relatives

Mr. Kishore Mehta, Director  
Mrs. Asha Mehta

- ii. Enterprises owned or significantly influenced by key management personnel or their relatives where transactions have taken place:  
ABOK Spring Pvt. Ltd.

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

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

| Nature of Transactions | RELATED PARTIES        |                         | RELATED PARTIES        |                         |
|------------------------|------------------------|-------------------------|------------------------|-------------------------|
|                        | Referred in a(i) above | Referred in a(ii) above | Referred in a(i) above | Referred in a(ii) above |
|                        | 31.03.2012             |                         | 31.03.2011             |                         |
| <u>Expenses</u>        |                        |                         |                        |                         |
| Rent                   | 120000                 | -                       | 120000                 | -                       |
| <u>Outstanding</u>     |                        |                         |                        |                         |
| Payable                | 120000                 | -                       | -                      | 86203                   |
| Receivable             | -                      | 1125418                 | 4960668                | -                       |



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**SOFCOM SYSTEMS LIMITED**

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012.

|   | 31.03.2012 | 31.03.2011 |
|---|------------|------------|
|   | Rs.        | Rs.        |
| 11. <u>Earning Per Share (Accounting Standard - 20):</u>    |            |            |
| Profit/(Loss) after tax as per Profit & Loss A/c            | (3210)     | (1150)     |
| Weighted Average number of Equity Shares outstanding (Nos.) | 3783550    | 3783550    |
| Basic and Diluted Earning per share                         | (0.00)     | (0.00)     |
| Face value of shares  | 10.00      | 10.00      |

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

In terms of our report of even date


For & on behalf of the Board of Directors

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

KISHORE MEHTA  
DIN :00043865

*K Mehta*  
DIRECTOR

*Narender Mittal*  
(NARENDER MITTA)  
PARTNER  
M.No. : 072715



NAWRATAN MALL MEHTA  
DIN :00858126

*N Mehta*  
DIRECTOR

Jaipur  
August 14, 2012



**SOFCOM SYSTEMS LIMITED**  
**CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

|  | YEAR ENDED<br>31.03.2012<br>AMOUNT (RS.) | YEAR ENDED<br>31.03.2011<br>AMOUNT (RS.) |
|--|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                      |  |  |
| Net Profit/(Loss) Before Tax & Extraordinary items                 | (3210)                                   | (1150)                                   |
| Add/(Deduct)   |  |  |
| Depreciation   | 66777                                    | 67164                                    |
| Operating Profit Before Working Capital Changes                    | <b>63567</b>                             | <b>66014</b>                             |
| <b>Add/(Deduct)</b>  |  |  |
| Sundry Debtors   |  |  |
| Loans & Advances   | -  | 1385000                                  |
| Current Liabilities  | 3435250                                  | 163753                                   |
| Cash Generated from Operations                                     | 191484                                   | 60699                                    |
| Net Cash from Operating Activities                                 | <b>3690301</b>                           | <b>1675466</b>                           |
|  | 3690301                                  | 1675466                                  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                      |  |  |
| Investment in Fixed Assets   |  |  |
| Investment in Shares   |  |  |
| Net Cash used in Investing Activities                              | <b>(3268000)</b>                         | -  |
|  | (3268000)                                | -  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                      |  |  |
| Proceeds from Borrowings (Net)                                     |  |  |
| Unsecured Loans  |  |  |
| Net Cash in the course of Financing Activities                     | <b>(86203)</b>                           | <b>(1385000)</b>                         |
|  | (86203)                                  | (1385000)                                |
| Net Changes in Cash and Cash Equivalents (A+B+C)                   | 336098                                   | 290466                                   |
| Cash and Cash Equivalents As at 1st April, 2011 (Opening Balance)  | 309576                                   | 19110                                    |
| Cash and Cash Equivalents As at 31st March, 2012 (Closing Balance) | <b>645674</b>                            | <b>309576</b>                            |

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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



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

Jaipur  
 August 14, 2012

*(Signature)*  
 KISHORE MEHTA  
 DIRECTOR  
 DIN : 00043865

*(Signature)*  
 NAWRATAN MALL MEHTA  
 DIRECTOR  
 DIN : 00858126