

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

15th October, 2018

To,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai- 400001

SCRIPT CODE: 538923 SCRIPT ID: SOFCOM

Subject: Submission of Annual Report for the financial year 2017-18 pursuant to Regulation 34 of SEBI(Listing Obligation and Disclosure Requirements)Regulations, 2015.

Dear Sir,

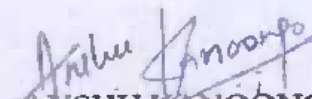
In compliance with Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the F.Y. 2017-18.

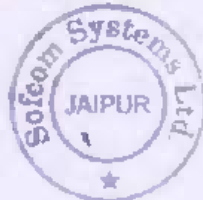
This is for your information and record.

Thanking you,

Yours faithfully,

For SOFCOM SYSTEMS LIMITED


ANSHU KANOONGO
Company Secretary



SOFCOM SYSTEMS LIMITED

23rd ANNUAL REPORT-2017-18

BOARD OF DIRECTORS

<u>NAME</u>	<u>DESIGNATION</u>	<u>DIN</u>
Mr. Kishore Mehta	Managing Director	00043865
Mr. Nawratan Mall Mehta	Non Executive Director	00858126
Mrs. Asha Mehta	Non Executive Director	00043841
Mr. Krishnanand Parmanand Pant	Non Executive Independent Director	06844490
Mr. Sanjay Kumar Verma	Non Executive Independent Director	06844513
Mr. Arnab Banerjee	Non Executive Independent Director	00858108

AUDITOR

M/s. M. Vashist & Co., Chartered Accountants
67/R.H.B, Pratap Nagar, Sanganer
Jaipur- 302033, Rajasthan
Tel.: 0141-2790235
Email: waticamurli@yahoo.com
Contact Person: Mr. Murlidhar Vashist

COMPANY SECRETARY/COMPLIANCE OFFICER

Mr. Anshu Kanoongo
Tel.: 0141-2340221/2370947
Fax: 0141-2348019

CHIEF FINANCIAL OFFICER

Hari Om Vijay

CORPORATE ADVISORS

MKGP & Associates
Company Secretaries
204, Prism Tower, Infront of PHQ Gate No.2,
Lalkothi, Behind Nehru Place, Tonk Road,
Jaipur-302015
(O)0141-3296027, (M) 09828046652
E-mail : mahendra927@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

M/s Sharex Dynamic (India) Private Limited
Unit No. 1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool
Andheri (E), Mumbai- 400 072, Maharashtra
Tel.: 022-28515606/44 Fax: 022-28512885
E-mail: sharexindia@vsnl.com

REGISTERED OFFICE ADDRESS

D-36, Subhash Marg, Sheel Mohar Apartment, C-Scheme, Jaipur- 302 001

Website:

www.sofcomsystemsLtd.com

E-Mail Id

Email: sofcomsystemsLtd@gmail.com

CONTACT PERSON:

Mr. Devraj Sharma

Tel: 0141-2340221/2370947 Fax: 0141-2348019

Email: sofcomsystemsLtd@gmail.com

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MANAGEMENT DISCUSSION AND ANALYSIS **REPORT**

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

BUSINESS OVERVIEW

Sofcom Systems Limited was established to provide consultancy for software development in the form of services, turnkey projects and the products for domestic and export market. The software development is targeted towards the distribution, banking, telecommunication, and manufacturing sectors worldwide. The company is also providing software maintenance, reengineering 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.

FUTURE BUSINESS PROSPECTS

In the last few years the domestic computer market has witnessed rapid growth. Software developers are looking to India as development and production base for their products and a number of software packages developed in this country has gained instant recognition overseas. Over the years the growth drivers for this sector have been the verticals of manufacturing, telecommunications, insurance, banking, finance and of late the 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.

OPPORTUNITIES AND THREATS

With the introduction of the concept of e-governance, both the Central and State Government are keen on implementing different projects to keep the activities of the governments transparent, timely and cost effective. There is an absolute increase in the fund allotment by the Governments for implementing the projects. This creates an opportunity for the experienced and expert organizations to broaden their horizon and support the Government in faster implementation of the projects. The increased volume of business attracts more number of players in the field and the competition becomes severe. Only the effective and efficient organizations could stand a competitive situation. The management is confident that with its exposure and experience in this field of e-governance, it stands a better chance than others.

OUTLOOK

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

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

RISKS AND CONCERNS

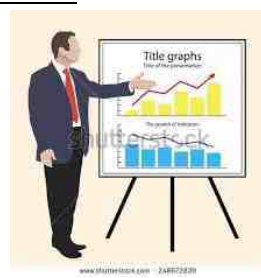
- Inherent risk to accommodate technological changes due to involvement in IT industry.
- Unable to expand successfully beyond India.
- No clear product vision beyond current offering.
- Little brand recognition.
- Increased competition from local and big players.
- New technology changes.
- Changes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

DIRECTOR'S REPORT

To
The Members,
SOFCOM SYSTEMS LIMITED

Your Directors have pleasure in presenting the 23rd Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31, 2018.

1. SUMMARY OF FINANCIAL RESULTS:



Particulars	2017-18	2016-17
Business & Other Income	11007472	1463200
Other Expense excluding Interest, Depreciation & Tax	11651789	1185423
Profit / (Loss) before Interest, Depreciation & Tax	(644317)	277777
Less: Interest	2480208	2875871
Less: Depreciation	--	--
Profit / (Loss) before tax	(3124525)	(2598094)
Exceptional Items		
Less: Provision for Tax:		
a. Current Year	--	--
b. Deferred Tax	(791918)	(802370)
c. MAT Credit Entitlement	--	--
d. Income Tax of Earlier Year w/off	--	--
Profit / (Loss) for the Period	(2332607)	(1813084)
Basic & Diluted Earnings per share	(0.56)	(0.44)

(i) Results Of Operations:

Total revenues earned during the year amounted to Rs. 11007472 as compared to Rs. 1463200 in the previous financial year.

2. DIVIDEND

As the company incurred losses during the Financial year 2017-18, the directors has not recommend any dividend for the financial year.

3. TRANSFER TO RESERVES:

The Company proposes to transfer no amount to the general reserve.

4. INFORMATION ABOUT SUBSIDIARY/ASSOCIATE COMPANY:

The company has an Associate Company – Abok Spring Private Limited

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

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

6. DEPOSITS:

Company has not accepted any deposits from the public, during the year under review.

7. MATERIAL CHANGES AND COMMITMENTS:

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

8. EXTRACT OF ANNUAL RETURN

An Extract of Annual Return as required under Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed in Annexure-I herewith.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement it is confirmed that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.
- (e) That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.
- (f) That proper system was devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. SHARE CAPITAL:

The Company has 4155000 Equity Shares of Rs. 10 each amounting to Rs. 4,15,50,000. During the year under review, the Company has not issued any shares or any convertible instruments.

The Company has only one class of Equity Share having a par value of Rs. 10/-each holder of share is entitled to one vote per share with same rights.

During the Year 2017-18, the company has not made any issue of equity shares with differential voting rights, Sweat Equity Shares and employee stock option.

11. LISTING OF SHARES

Shares of company has been listed on Bombay Stock Exchange, Calcutta Stock Exchange and Madras Stock Exchange.

12. AUDITORS:

a. Statutory Auditors:

The Board of Directors of the company recommends to the members, the appointment of **M/s M. Vashisht & Co. (FRN: 012281C), Chartered Accountant as Statutory Auditor** to hold office for a period of five consecutive years and they shall who shall hold office from the conclusion of ensuing 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting of the Company. In this regard, the Company has received a certificate

from the auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013

b. Statutory Auditors' Report:

The observations made by the Auditors in their Report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self explanatory and therefore do not call for any further comments under Section 134 (3)(f) of the Companies Act, 2013.

The Auditors of the Company have not raised any queries or made any Qualifications on the Accounts adopted by the Board which were then audited by them.

c. Secretarial Auditor:

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the Board has appointed M/s. MKGP & Associates., a firm of Company Secretaries in Practice, as the Secretarial Auditor of the Company for the financial year 2017-18.

d. Secretarial Audit Report

The Secretarial Audit Report is annexed to this Board report as Annexure-III. In respect to the observations made by Auditor, following clarification is made:

- Unknowingly, the form regarding the appointment of Statutory Auditor i.e. Form ADT-1 has not been filed by the company.

13. DIRECTORS /KEY MANAGERIAL PERSONNEL:

a) Retire by Rotation

Mrs. Asha Mehta (DIN: 00043841), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment. A Profile of Mrs. Asha Mehta, as required by Regulation 36(3) of the SEBI (LODR) Regulations are given in the Notice convening the forthcoming Annual General Meeting.

b) Independent Directors and their Declaration of Independence

The Board of the Company as on March 31, 2018 consisted of 6 directors out of which 3 are independent directors.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c) Composition of Board of Director

The Board of the Company as on March 31, 2018 consist of 6 directors out of which 3 are Independent directors, one is Managing Director and two are Non-Executive director.

d) Changes in the composition of Key Managerial Personnel (other than Board of Directors):

There were no changes in the composition of key managerial personnel.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. Conservation of energy:

The operations of the Company involve low energy consumption. The Company has ensured that adequate measures are being taken to conserve energy.

B. Technology Absorption:

The particulars regarding Technology absorption are: NIL

C. Foreign exchange earnings and Outgo:

PARTICULARS	AS ON 31.03.2018	AS ON 31.03.2017
a) Earnings in foreign exchange	Nil	Nil
b) Expenditure / outgo in foreign exchange (Travelling)	Nil	Nil

15. Meetings

During the financial year 2017-18, following meetings were convened:

❖ **Board Meetings**

S. No.	Date of Board Meeting	Board's Strength	No. of Directors Present
1.	29/05/2017	6	6
2.	31/08/2017	6	6
3.	14/09/2017	6	6
4.	13/12/2017	6	6
5.	13/02/2018	6	6

❖ **Audit Committee Meetings**

S. No.	Date of Meeting	Strength of Members	No. of Members Present
1.	27/05/2017	3	3
2.	30/08/2017	3	3
3.	13/09/2017	3	3
4.	12/12/2017	3	3
5.	13/02/2017	3	3

❖ **Nomination & Remuneration Committee Meetings**

S. No.	Date of Meeting	Strength of Members	No. of members present
1.	30/08/2017	3	3

❖ **Stakeholders Relationship Committee Meetings**

S. No.	Date of Meeting	Strength of Members	No. of members present
1.	07/04/2017	3	3

❖ **Members Meeting**

S.No.	Type of Meeting	Date of Meeting	Total No. of Members Entitled to Attend	Number of Members Attended
1.	Annual General Meeting	28/09/2017	257	20

16. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

The company has established a vigil mechanism for grievances redressal of director and employees of the company which will help in reporting genuine concerns or grievances of directors and employees.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

As the Company does not fall under the class of companies as prescribed under Section 135 of Companies Act, 2013 and Rules made there under, therefore the provisions related to Corporate Social Responsibility is not applicable to the Company.

Therefore, Company is not liable to contribute towards Corporate Social Responsibility.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Particulars of Loan given, Investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in standalone financial statement.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under the proviso thereto have been disclosed in Form No. AOC -2, as Annexure -II.

20. MANAGERIAL REMUNERATION:

- (A) Due to inadequacy of profit, no remuneration is paid to directors of the company.
- (B) There is no Employee who is in receipt of remuneration of more than Rs. 8,50,000 per month. or Rs. 102,00,000 per annum under Section 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in the financial 2017-18.
- (C) The company does not have any material information to report in accordance with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. RISK MANAGEMENT POLICY

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

23. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has proper place and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and all assets and resources are acquired economically, used efficiently and adequately protected.

24. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Corporate Governance and Management Discussion & Analysis Report, which forms a part of this Report, are set out separately together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

25. GREEN INITIATIVES

Electronic copies of the Annual Report 2017-18 and the notice of 23rd AGM are sent to all members whose e-mail address is registered with the company/depository participants. For members who have not registered their email address, physical copies are sent in the permitted mode.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

27. ACKNOWLEDGEMENTS:

An acknowledgement with thanks is hereby conveyed to all with whose help, cooperation and hard work the Company was able to achieve the results.

**By order of the Board
For SOFCOM SYSTEMS LIMITED
CIN: L72200RJ1995PLC010192**

Date:03.09.2018

Place: Jaipur

**Sd/-
KISHORE MEHTA
Managing Director
Din: 00043865**

**Sd/-
NAWRATAN MALL MEHTA
Director
Din: 00858126**

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2018
Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

A. Registration And Other Details:	
CIN:-	L72200RJ1995PLC010192
Registration Date:	09/06/1995
Name of the Company:	SOFCOM SYSTEMS LIMITED
Category / Sub-Category of the Company	Public Company/ Company limited by Shares/ Non-Govt company
Address of the Registered office and contact details:	D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme Jaipur, Rajasthan-302001
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamics (India) Private Limited Unit No. 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (E) , Mumbai, Maharashtra, 400072 T: 022-28515606/44

B. Principal Business Activities of the Company:

Sr. No.	Name and Description of main products / services	National Classification Services Sector	Product for	% to total turnover of the company
a)	Software publishing, consultancy and supply [Software publishing includes production, supply and documentation of ready-made (non-customized) software, operating systems software, business & other applications software, computer games software for all platforms. Consultancy includes providing the best solution in the form of custom software after analyzing the user's needs and problems. Custom software also includes made-to-order software based on orders from specific users. Also, included are writing of software of any kind following directives of the users; software maintenance, web-page design].	72200		100%

C. Particulars of Holding, Subsidiary And Associate Companies:

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
a)	ABOK SPRING PRIVATE LIMITED	U27102RJ1969PTC001280	Associate	48.92%

D. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoter's

(1). Indian									
(a).Individual	3016600	--	3016600	72.60	3016600	--	3016600	72.60	--
(b).Central Govt.	--	--	--	--	--	--	--	--	--
(c). State Govt(s).	--	--	--	--	--	--	--	--	--
(d). Bodies Corpp.	--	--	--	--	--	--	--	--	--
(e).FIINS/ BANKS.	--	--	--	--	--	--	--	--	--
(f). Any Other (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):-	3016600	--	3016600	72.60	3016600	--	3016600	72.60	--
(2). Foreign									
(a). Individual NRI/ For Ind	--	--	--	--	--	--	--	--	--
(b). Other Individual	--	--	--	--	--	--	--	--	--
(c). Bodies Corporates	--	--	--	--	--	--	--	--	--
(d). Banks/ FII	--	--	--	--	--	--	--	--	--
(e). Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
(f). Any Other Specify	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3016600	--	3016600	72.60	3016600	--	3016600	72.60	--

)									
(B) Public Shareholding									
1. Institutions									
(a). Mutual Funds	--	--	--	--	--	--	--	--	--
(b). Banks / FI	--	--	--	--	--	--	--	--	--
(c). Central Govt.	--	--	--	--	--	--	--	--	--
(d). State Govt.	--	--	--	--	--	--	--	--	--
(e). Venture Capital Funds	--	--	--	--	--	--	--	--	--
(f). Insurance Companie s	--	--	--	--	--	--	--	--	--
(g). FIIs	--	--	--	--	--	--	--	--	--
(h). Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
(i). Others (specify)	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
(a). Bodies corp.									
(i). Indian	751316	--	751316	18.1	755932	--	755932	18.19	

(ii).Overseas	--	--	--	--	--	--	--	--	--
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	10914	2125	13039	0.31	5734	2100	7834	0.2	--
(ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	175670	198275	373945	8.99	175670	198275	373945	8.99	--
(c). Other (specify)									
Others	100	--	100	0.002	664	25	689	0.016	--
Sub-total (B)(2):-	938000	200400	1138400	27.40	938000	200400	1138400	27.40	--
Total Public Shareholding (B)=(B)(1) + (B)(2)	938000	200400	1138400	27.40	938000	200400	1138400	27.40	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	3954600	200400	4155000	100	3954600	200400	4155000	100	--

(ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Share holding at the end of the Year 31/03/2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Kishore Mehta	2758000	66.38	--	2758000	66.38	--	--
2	Asha Mehta	258600	6.22	--	258600	6.22	--	--
	Total	3016600	72.60	--	3016600	72.60	--	--

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

No Changes in Promoters' Shareholding during F.Y.

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

Sr . No.	Particulars	Date	Shareholding		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Samkit B Jain	01-04-2017	198275	4.77	198275	4.77
		31-03-2018	198275	4.77	198275	4.77
2	Prime Mine O Jewels Pvt.Ltd	01-04-2017	196000	4.72	196000	4.72
		31-03-2018	196000	4.72	196000	4.72
3	Crystal Mine O Gems Private Limited	01-04-2017	195000	4.69	195000	4.69
		31-03-2018	195000	4.69	195000	4.69
4	Sethia Gems Private Limited	01-04-2017	185000	4.45	185000	4.45
		31-03-2018	185000	4.45	185000	4.45
5	Jalak Kamal Jain	01-04-2017	175670	4.23	175670	4.23

		31-03-2018	175670	4.23	175670	4.23
6	Manmohan Gems Private Limited	01-04-2017	175000	4.21	175000	4.21
		31-03-2018	175000	4.21	175000	4.21

(v) Shareholding of Directors and Key Managerial Personnel:

			Shareholding at the beginning/end of the year		Cumulative Shareholding during the year 31/03/2017	
Sr. No.	Particulars	Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Asha Mehta	01-04-2017	258600	6.22	258600	6.22
		31-03-2018	258600	6.22	258600	6.22
2	Kishore Mehta	01-04-2017	2758000	66.38	2758000	66.38
		31-03-2018	2758000	66.38	2758000	66.38
3	Arnab Banerjee	01-04-2017	--	--	--	--
		31-03-2018	--	--	--	--
4	Nawratan Mall Mehta	01-04-2017	--	--	--	--
		31-03-2018	--	--	--	--
5	Krishnanand Parmanand Pant	01-04-2017	--	--	--	--
		31-03-2018	--	--	--	--
6	Sanjay Kumar Verma	01-04-2017	--	--	--	--
		31-03-2018	--	--	--	--

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	23668674	--	--	23668674
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--

Total (i+ii+iii)	23668674	--	--	23668674
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	(3731930)	--	--	(3731930)
Net Change	(3731930)	--	--	(3731930)
Indebtedness at the end of the financial year				
i) Principal Amount	19936744	--	--	19936744
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
Total (i+ii+iii)	19936744	--	--	19936744

VI. Remuneration of Directors and Key Managerial Personnel:

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	--	--
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
		--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--

	- as % of profit	--	--
	- others, specify...	--	--
5	Others, please specify	--	--
	Total (A)	--	--
	Overall Ceiling as per the Act	--	--

B. Remuneration to other directors:

	Particulars of Remuneration	Name of Directors Manager	Total Amount
	1. Independent Directors		
	• Fee for attending board / committee meetings	--	--
	• Commission	--	--
	• Others, please specify	--	--
	Total (1)	--	--
	2. Other Non-Executive Directors		
	• Fee for attending board / committee meetings	--	--
	• Commission	--	--
	• Others, please specify	--	--
	Total (2)	--	--
	Total (B)=(1+2)	--	--
	Total Managerial Remuneration	--	--
	Overall Ceiling as per the Act	--	--

C. Remuneration To Key Managerial Personnel Other Than MD/MANAGER/WTD

SR No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96000	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--
	Others, please specify	--	--	--
	Total	96000	--	96000

VII. Penalty/ Punishments/ Compounding Of offence:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
A. Company					
Penalty					
Punishment					
Compounding		No Penalty, Punishment and Compounding offences during the F.Y.			
B. Directors					
Penalty					
Punishment		No Penalty, Punishment and Compounding offences during the F.Y.			
Compounding					

C. Other Officers In Default

Penalty	No Penalty, Punishment and Compounding offences during the F.Y.
Punishment	
Compounding	

**By order of the Board
For SOFCOM SYSTEMS LIMITED
CIN: L72200RJ1995PLC010192**

Date:03.09.2018

Place: Jaipur

**Sd/-
KISHORE MEHTA
Managing Director
DIN: 00043865**

**Sd/-
NAWRATAN MALL MEHTA
Director
DIN: 00858126**

FORM NO. AOC -2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.]

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

- (a) Name(s) of the related party and nature of relationship: Nil
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts / arrangements/transactions: Nil
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Justification for entering into such contracts or arrangements or transactions: Nil
- (f) Date(s) of approval by the Board: Nil
- (g) Amount paid as advances, if any: Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Nil

2. Details of contracts or arrangements or transactions at Arm's length basis.

S.No.	Name	Nature of relationship	Nature of transaction	Amount as at 31 st March, 2018
1.	Kishore Mehta	Director	Rent paid	120000
			Payables	1280433
			Receivable (Rent deposit)	525418

**By order of the Board
For SOFCOM SYSTEMS LIMITED
CIN: L72200RJ1995PLC01019**

Date:03.09.2018

Place: Jaipur

**Sd/-
KISHORE MEHTA
Managing Director
DIN: 00043865**

**Sd/-
NAWRATAN MALL MEHTA
Director
DIN: 00858126**

CORPORATE GOVERNANCE REPORT



FOR THE FINANCIAL YEAR 2017-2018

The Corporate Governance code is a professional system framed for directing and controlling the organization. The purpose is to ensure compliance of local statutes and ensure safeguard and value addition in long term to the interest of its members, creditors, customers and employees. The Company has initiated the practice of incorporating the Corporate Governance Report in the Annual Report in compliance with SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015. A concerted attempt has been made to bring in transparency and professionalism to ensure ethical standard in business activities while implementing the Corporate Governance Code. The management places on record that the mandatory compliances to constitute various committees as required by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, are in place.

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as applicable to the Company is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to good corporate governance and has implemented the corporate governance norms as prescribed by SEBI. The Company's philosophy of corporate governance is based on preserving core values and ethical business conduct which enhances the efficiency of the Board and inculcates a culture of transparency, accountability and integrity across the Company.

2. BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board which is well blended with a good combination of Executive and Independent Directors. The Board has complete access to any information within the Company & to any employee of the Company.

Pursuant to SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, the Board meets at least once in every quarter to review quarterly/annual results and other items on the agenda and gap between two board meetings is not more than 120 Days. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015.

a) Composition & Category of Directors

The Board comprises of 6 (Six) Directors as below:

Promoter, Chairman, Managing Director - 1

Promoter, Non-Independent Director - 2

Independent Directors -3

b) Changes in the Composition of Directors

- **Changes in the designation & appointments**

No appointment of directors took place during the year under review.

Mr. Kishore Mehta was re-appointed as the Managing Director for a period of Five years at the 22nd Annual general meeting of the company held on 28th September, 2017.

Mr. Nawratan Mall Mehta, Non-Executive Director who retired by rotation was re-appointed as Director at the 22nd Annual general meeting of the company held on 28th September, 2017.

- **Resignations or removal of the Directors, if any**

None of the Directors resigned during the year under review.

c) Number of Board meetings held during the year and Attendance of directors

During the financial year ended March 31st, 2018, Five Board Meetings were held on 29th May, 2017, 31st August, 2017, 14th September, 2017, 13th December, 2017 and 13th February, 2018. The gap between two Board Meetings did not exceed 120 (One Hundred and Twenty) days as required under Section 173 of the Companies Act, 2013 read with Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 along with Regulation 17 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Attendance of Directors at Board Meetings during the financial year and the last annual General Meeting and Number of Directorships/Committee positions of Directors as on 31st March, 2018, were as under:

Name of the Director with DIN	Composition and Category	No. of Board Meetings attended	Attendance at last AGM held on September 28 th , 2017
Mr. Kishore Mehta (00043865)	Chairman cum Managing Director	5	Yes

Mr. Nawrattan Mall Mehta (00858126)	Non Executive Director	5	Yes
Mrs. Asha Mehta (00043841)	Non Executive Director	5	Yes
Mr. Arnab Banerjee (00858108)	Independent Director	5	Yes
Mr. Krishnanand Pant (06844490)	Independent Director	5	Yes
Mr. Sanjay Kumar Verma (06844513)	Independent Director	5	Yes

3. AUDIT COMMITTEE

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 as well as Section 177 of the Companies Act, 2013.

The primary role of Audit Committee, inter alia, is:

- To oversee the Company's financial reporting process and disclosure of financial information;
- To review the financial statements, adequacy of internal control systems and periodic audit reports;
- To recommend to the Board the matters relating to the financial management of the Company.;
- To recommend appointment/re-appointment of Statutory Auditors and fixation of their remuneration.;
- To hold discussions with Statutory Auditors periodically;
- To review the financial statements, in particular, the investments made by unlisted Subsidiary Company.

The committee is comprised solely of independent directors and fulfills the requirements under Companies Act, 2013 as well as SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015. The Statutory Auditors of the Company are invited to attend Audit Committee Meetings, to discuss and review the quarterly/ half yearly unaudited results, the annual audited accounts, internal audit, matters relating to the compliance with accounting standards, Auditor's observations arising from the audit of the Company's accounts and other related matters. On a periodic basis, the committee has reviewed and approved transactions of the company with related parties and recommended Board for approval as and when necessary.

During the financial year ended March 31st, 2018, Five Audit Committee Meetings were held on 27th May, 2017, 30th August, 2017, 13th September, 2017, 12th December, 2017, and 13th February, 2018.

The names of the Committee Members and number of Meetings attended during the year are as follows:

Name of the Director	Category	Designation	Total Meetings Attended
Mr. Krishnanand Pant	Non-Executive Independent Director	Chairman	5
Mr. Sanjay Kumar Verma	Non-Executive Independent Director	Member	5
Mr. Arnab Banerjee	Non-Executive Independent Director	Member	5

4. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of this Committee are wide enough to cover the matters specified for Nomination and Remuneration Committee under SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 as well as Section 178 of the Companies Act, 2013.

Key role of Nomination & Remuneration Committee is:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

During the financial year ended March 31st, 2018 one meetings of Nomination And Remuneration Committee was held on 30th August,2017.

The names of the Committee Members and Number of meetings attended during the year are as follows:

Name of the Director	Category	Designation	Total Meetings Attended
Mr. Krishnanand Pant	Non-Executive Independent Director	Chairman	1
Mr. Sanjay Kumar Verma	Non-Executive Independent Director	Member	1
Mr. Arnab Banerjee	Non-Executive Independent Director	Member	1

Executive Director are associated with the Company since Incorporation

Details of equity shares of the Company held by the Directors as on March 31st, 2018 are given below:

Name	Number of Equity Shares
Mr. Kishore Mehta	2758000

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee reviews all matters connected with the physical securities transfer. The Committee also looks into redressal of shareholders' complaints relating to transfer of shares/dematerialization, non-receipt of balance sheet, non-receipt of dividends, issue of share.

Certificates on account of bonus split or any other matter related to securities of the Company. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Committee meets as and when required, depending upon grievances and/ or request for physical transfer of securities received by the Company.

The report received from the Share Transfer Agents as reviewed by the Committee is placed at the Board Meetings from time to time.

During the financial year ended March 31, 2018, one meeting of Stakeholders Relationship Committee Meetings was held dated 07th April, 2018.

The composition of Stakeholders Relationship Committee is as follows:

Name of the Director	Category	Designation	Total Meetings Attended
Mr. Krishnanand Pant	Non-Executive Independent Director	Chairman	1
Mr. Sanjay Kumar Verma	Non-Executive Independent Director	Member	1
Mr. Arnab Banerjee	Non-Executive Independent Director	Member	1

The Company has attended the investor's grievances / correspondence promptly. There were no investors' complaints pending as on March 31, 2018. There were no outstanding requests for transfer & nil pending requests for dematerialization of shares as on March 31, 2018.

6. INDEPENDENT DIRECTORS MEETING

The Company's Independent Directors are required to meet at least once in every Financial Year in compliance with the provisions of the Companies Act, 2013. Such meetings are

conducted to enable Independent Directors to discuss the matters pertaining to the Company's affairs and put forth their views.

As per Section 149 of Companies Act, 2013, the primary role of Independent Directors, inter alia, is:

- To review the performance of non independent directors and the Board as a whole.
- To review the performance of the Chairman of the Company.
- To assessed the quality, quantity and timeliness of flow of information Between the Company management and the Board that is necessary for the Board to effectively and reasonable perform their duties.

During the financial year ended March 31, 2018, one meetings of Independent Directors was held on 30/08/2017.

The names of the independent directors and meetings attended during the year are as follows:

Name	Total Meetings Attended
Mr. Arnab Banerjee (00858108)	1
Mr. Krishnanand Pant (06844490)	1
Mr. Sanjay Kumar Verma (06844513)	1

7. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue
2016-17	28 th September, 2017	11:00 A.M.	D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme Jaipur, Rajasthan
2015-16	01 st September, 2016	11:30 A.M.	D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme Jaipur, Rajasthan
2014-15	30 th September, 2015	11:00 A.M.	D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme Jaipur, Rajasthan

- ✓ No extraordinary general meeting was held during the year 2017-2018.

8. DISCLOSURES

The Company has complied with all the requirements of the Listing Agreement with the BSE Limited as well as the regulations and guidelines of SEBI.

The Whistle blower policy is put in place to report concerns about unethical behavior. As required, the Chairman of the Audit Committee is accessible if employees and Directors encounter any unethical behavior. The said policy has been also put up on the website of the Company at the following link www.sofcomsystems.com

9. CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for all Board Members and Senior Management of the Company. In compliance with SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015, all personnel have affirmed to it.

10. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the BSE Limited immediately after they are approved by the Board and these are published in the Financial Express-Delhi Edition (English Newspaper) and Pakshi ka Sandesh-Jaipur Edition (Hindi Newspaper).

Management Discussion & Analysis Report for the year ended March 31st, 20178 forms a part of this Annual Report and is given under the section so captioned.

Company has created a website addressed as www.sofcomsystems.com
Email address of the Company is sofcomsystemsltd@gmail.com

11. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. The number has to be quoted in each transaction relating to the dematerialized equity shares of the Company. The Company's ISIN is **INE499Q01012**

12. SECRETARIAL AUDIT REPORT REGARDING RECONCILIATION OF SHARE CAPITAL

As required by Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, a quarterly audit is conducted by a Practicing Company Secretary, reconciling the Issued and Listed Share Capital of the Company with the aggregate of the shares held by the investors in physical form and in demat form with CDSL and NSDL and said certificates are submitted to the BSE wherein the shares are traded, within the prescribed time limit.

As on March 31st, 2018, there was no difference between the Issued capital and the aggregate of shares held by the investors in both physical form and in electronic form with depositories.

13. GENERAL SHAREHOLDER INFORMATION

Day, Date and Time	Friday, 28th September, 2018 at 11.00 A.M.
Venue	D- 36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme, Jaipur - 302001, Rajasthan

- **Financial Year:** 01st April, 2017 to 31st March, 2018
- **Date of Book Closure:** 22nd September, 2018 to 28th September, 2018 (both days Inclusive)
- **Listing on Stock Exchange:** Shares of the Company are listed on BSE Limited
- **Stock Codes (for shares) :** 538923
- **Symbol(for shares):** SOFCOM
- **Demat ISIN Number in NSDL :** INE499Q01012
- **Registrar and Transfer Agents:**

Sharex Dynamics (India) Private Limited
 1, Luthra Ind. Premises, Andheri Kurla Road,
 Safed Pool, Andheri (E),
 Mumbai, Maharashtra
 T: 022-28515606/44

- **Share Transfer System:**

The Company's shares are traded on BSE mandatorily in demat mode. Physical Shares which are lodged with the Registrar and Transfer Agents/ or with the Company for transfer are processed and returned to the Shareholders duly transferred within the time limit stipulated under the Listing Agreement subject to the documents being in order. Members holding shares in physical form are requested to get them dematerialized for easy transactions on stock exchange.

- **Share Holding Pattern as on March 31, 2018:**

	Category	No. of shares	% of total Shareholding
a.	Promoter's holding	3016600	72.60%
b.	Bank/FIIs	--	--
c.	Corporate Bodies	755932	18.19%

d.	Public (In India)	382280	9.20%
e.	NRI's / OCBs	99	0.0023%
f.	Clearing Member	89	0.0021%
g.	Any Other (Trust)	--	--
GRAND TOTAL		4155000	100%

➤ **Dematerialization of shares:**

95.175% of the Company's paid up equity share capital has been dematerialized up to March 31, 2018. Trading in the equity shares of the Company at BSE Limited is permitted only in dematerialized form.

The details of dematerialized shares as on March 31, 2018 are as under:

Depository	No. of Shares	% of Capital
CDSL	3953165	95.14
NSDL	1435	0.03
Total	3954600	95.17

Request for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days. Shares of the Company are traded on BSE.

14. ADDRESS FOR CORRESPONDENCE:

All Correspondence relating to the shares of the Company should be forwarded to the below mentioned address.

Sharex Dynamics (India) Private Limited

1, Luthra Ind. Premises, Andheri Kurla Road,
Safed Pool, Andheri (E),
Mumbai, Maharashtra
T: 022-28515606/44

15. GREEN INITIATIVE

The Ministry of Corporate affairs has taken "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice / documents including Annual Report can be sent by email to its members. To Support this Green initiative of the Government in full measure, members who have not registered their e-mail, so far, are requested to register their email addresses in respect of their holdings with the Depository through their concerned Depository Participants. Members who hold share in physical form are requested to contact Mr. Anshu Kanoongo, Company Secretary and Compliance officer, on sofcomsystems ltd@gmail.com or at the

registered office of the Company or to M/s Sharex Dynamic (India) Private Limited on above mentioned contact details.

**For and on behalf of the Board of Directors
For SOFCOM SYSTEMS LIMITED
CIN: L72200RJ1995PLC010192**

**Place: Jaipur
Date:03.09.2018**

**Sd/-
KISHORE MEHTA
(Managing Director)
DIN: 00043865**

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,

The Members

SOFCOM SYSTEMS LIMITED

D-36, Subhash Marg, Flat No. 802,L Sheel Mohar Apartment,
C-Scheme, Jaipur, Rajasthan-302001

We have examined the records with respect to the compliance of Corporate Governance by **SOFCOM SYSTEMS LIMITED** ("the Company"), for the financial year ended March 31, 2018, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **M/s. M. VASHISHT & CO.**
Chartered Accountants,
FIRM REGISTRATION NO.: 001654C

Place: Jaipur
Date: 03.09.2018

Sd/-
MURLI DHAR VASHIST
Proprietor
M. NO: 079733



CEO/CFO CERTIFICATION

To

The Board of Directors

SOFCOM SYSTEMS LIMITED

D-36, Subhash Marg, Flat No. 802, L Sheel Mohar Apartment,
C-Scheme, Jaipur, Rajasthan-302001

We, Kishore Mehta, Managing Director and Hari Om Vijay, Chief Financial Officer certify to the Board that:

(A) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of my knowledge and belief:

- i. These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

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

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

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

- i. There has not been any significant change in internal control over financial reporting during the year under reference;
- ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

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

Date: 29.05.2018

Place: Jaipur

Sd/-
Kishore Mehta
(Managing Director)
DIN: 00043865

Sd/-
Hari Om Vijay
(Chief Financial Officer)
PAN: AALPV9980F

DECLARATION OF CODE OF CONDUCT

This is to confirm that the company has adopted a code of conduct for its Board of Directors and Senior Management Personnel. This Code is available at the Company's Registered Office.

I confirm that Board of Directors and Senior Management Personnel of the company have, in respect of the financial year ended March 31, 2018, affirmed compliance with the Code of Conduct as applicable to them.

For the purposes of this declaration, Senior Management Personnel means the Personnel who are members of the core management team, including persons in the cadre of functional heads and above but excluding Board of Directors as on March 31, 2018.

Place: Jaipur
Dated: 29.05.2018

For and on behalf of the Board of Directors

Sd/-
(Mr. Kishore Mehta)
Chairman & Managing Director
DIN: 00043865

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

SOFCOM SYSTEMS LIMITED

D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme
Jaipur, Rajasthan-302001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SOFCOM SYSTEMS LIMITED** (hereinafter called as the Company) incorporated on 9th June, 1995 having CIN No. L72200RJ1995PLC010192 and registered office at D-36, Subhash Marg, Sheel Mohar Apartment, C-Scheme, Jaipur- 302001. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SOFCOM SYSTEMS LIMITED** for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. ;
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and

- Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as there was no reportable event during the financial year under review for secretarial audit]** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable as there was no reportable event during the financial year under review for secretarial audit.]**

vi. The Management had identified and confirmed the following laws which are specifically applicable to the company are as follows:

- a) The Information Technology Act, 2000
- b) The Trade Mark Act, 1999
- c) The Indian Copyright Act, 2005
- d) The Patents Act, 1970
- e) Policy relating to Software Technology Parks of India And its Regulations
- f) The Trade Unions Act, 1926
- g) The Employees' Provident Fund & Miscellaneous Provisions Act, 1952
- h) The Employees' State Insurance Act, 1948
- i) Equal Remuneration Act, 1976
- j) The Export And Import policy of India

We have also examined compliance with the applicable clauses of the following:

- a) **Secretarial Standards issued by The Institute of Company Secretaries of India with regard to Meeting of Board Of Directors (SS-1) and General Meetings (SS-2) and Board Report(SS-10).**
- b) **SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Listing agreements entered into by the company with BSE Limited.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

- **The Form relating to Appointment of Statutory Auditor in the Annual general Meeting held for the Financial Year 2016-17 i.e. ADT-1 is not filed by the company.**

We further report that-

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in the Board Meeting and in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.
- d) All the decisions of the Board and Committees were carried out with requisite majority.

We further report that based on review of compliance mechanism established by the company and on the basis of Compliance Certificate(s) issued by the Company Secretary and taken on record by the board of directors at their meeting(s) , we are opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the company has responded appropriately to notices received, if any, from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period there were no specific events/ actions which are having major bearing on the Company's affairs in pursuant of the above referred laws, rules, regulations, guidelines, standards.

Date: May 29, 2018

Place: Jaipur

**For MKGP & ASSOCIATES
(Company Secretaries)**

Sd/-
**Mahendra Prakash Khandelwal
(Partner)
FCS No.: 6266
C P No.: 4459**

This report is to be read with our letter of even date which is annexed as **Annexure-A** forms an integral part of this report.

Annexure-A

To,
The Members,
Sofcom Systems Limited
D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment,
C-Scheme, Jaipur, Rajasthan-302001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. It is management's responsibility, to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain these records with same in letter and in spirit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
8. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by me.

Date: May 29, 2018

Place: Jaipur

For MKGP & ASSOCIATES
(Company Secretaries)

Sd/-

Mahendra Prakash Khandelwal
(Partner)

FCS No.: 6266

C P No.: 4459

INDEPENDENT AUDITORS' REPORT

To
The Members
SOFCOM SYSTEMS LIMITED

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **SOFCOM SYSTEM LIMITED** ("the Company") which comprises the Balance Sheet as at March 31st, 2018, Statement of Profit and Loss (including other comprehensive income) the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information..

Management's Responsibility for Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report and the Order issued under Section 143(11) of the Act. 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS:

(a) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2018;

(b) in the case of Statement of Profit and Loss, of the loss including other comprehensive income for the year ended March 31, 2018,

(c) in the case of the Statement of Cash Flows, of the cash flows of the Company for the year ended March 31, 2018, and

(d) in the case of the Statement of Changes in Equity, of the changes in equity of the Company for the year ended March 31, 2018.

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 (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.;

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 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.

Date: May 29, 2018
Place: Jaipur

For M. VASHIST & CO.
Chartered Accountants
Firm Registration No. 012281C

Sd/-
Murli Dhar Vashist
Proprietor
M.NO. 079733

ANNEXURE-" A "TO THE INDEPENDENT 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 31st March 2018, we report that

(i) In respect of its fixed assets:

(a) The company has maintained proper records of fixed assets 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, goods & service 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.

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, goods & service 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 2018 for a period of more than six months from the date they become payable.

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, goods & service tax, 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 .

Date: May 29, 2018

Place: Jaipur

**For M. VASHIST & CO.
Chartered Accountants
Firm Registration No. 012281C**

**Sd/-
Murli Dhar Vashist
Proprietor
M.NO. 079733**

ANNEXURE - 'B' TO THE INDEPENDENT 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, 2018 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 judgment, 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..

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 authorizations of management and directors of the company; and
- iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2018, 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

Date: May 29, 2018

Place: Jaipur

**For M. VASHIST & CO.
Chartered Accountants
Firm Registration No. 012281C**

**Sd/-
Murli Dhar Vashist
Proprietor
M.NO. 079733**

FINANCIAL STATEMENTS



STANDALONE BALANCE SHEET AS AT MARCH 31ST , 2018

Particulars	Note No	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
<u>I. ASSETS</u>				
<u>Non-Current Assets</u>				
(a) Property, Plant and Equipments	3	114780	114779	114779
(b) Capital work-in-progress		--	--	--
(c) Other Intangible assets		--	--	--
(d) Intangible assets under development		--	--	--
(e) Financial Assets		--	--	--
(i) Investments	4	51012750	51012750	51012750
(ii) Loans	5	533004	533004	533004
(iii) Others		--	--	--
(f) Deferred tax assets (Net)	6	1581506	789588	--
(g) Other non-current assets		-	-	---
Total Non-Current Assets		53242040	52450121	51660533
<u>Current Assets</u>				
(a) Inventories	7	--	10675350	--
(b) Financial Assets		--	--	--
(i) Investments		--	--	--
(ii) Trade receivables	8	11007472	5075270	11333641
(iii) Cash and cash equivalents	9	419704	655253	416943
(iv) Bank balances - others		--	--	--
(v) Loans		--	--	--
(vi) Others		--	--	--
(c) Current Tax Assets (Net)		--	--	--
(d) Other current assets	10	36562	--	10687570
Total Current Assets		11463738	16405873	22438154
Total Assets		64705778	68855994	74098687
<u>II. EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
(a) Equity Share Capital	11	46315500	46315500	46315500
(b) Other Equity	12	(4690199)	(2357592)	(544508)
Total Equity		41625301	43957908	45770992
<u>Liabilities</u>				
<u>Non-Current Liabilities</u>				
(a) Financial liabilities		--	--	--
(i) Borrowings		--	--	--
(iii) Other financial liabilities		--	--	--

(b) Provisions		--	--	--
(c) Deferred tax liabilities (Net)	6	--	--	12782
(d) Other non-current liabilities		---	--	
Total Non-Current Liabilities		--	--	12782
Current Liabilities				
(a) Financial liabilities		--	--	--
(i) Borrowings	13	19936744	23668674	27442452
(ii) Trade payables		--	--	--
(iii) Other financial liabilities	14	3129983	1221874	696512
(b) Other current liabilities	15	13750	7538	83449
(c) Provisions		--	--	92500
(d) Current Tax Liabilities (Net)		--	--	--
Total Current Liabilities		23080477	24898086	28314913
Total Equity and Liabilities		64705778	68855994	74098687

In terms of our report of even date attached

For & On behalf of the Board of Directors

For M/s. M. VASHIST & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 001281C

Sd/-
KISHORE MEHTA
DIN: 00043865
Managing Director

Sd/-
(MURLI DHAR VASHIST)
Proprietor
M.NO. 79733

Sd/-
NAWARATAN MALL MEHTA
DIN: 00858126
Director

Sd/-
ANSHU KANOONGO
M.NO. A27905
Company Secretary

Place: Jaipur
Date: May 29, 2018

STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No	For the year ended on 31st March 2018	For the year ended on 31st March 2017
I. REVENUE			
Revenue from Operations	16	11007472	1463200
Total Revenue		11007472	1463200
<u>II. Expenses:</u>			
Cost of Material Consumed		-	-
Purchase of Stock-In-Trade	17	-	10675350
Changes in Inventories of Finished Goods & Stock-in-Trade	18	10675350	(10675350)
Employee Benefit Expenses	19	264000	505500
Financial Costs	20	2480208	2875871
Other Expenses	21	712439	679923
Depreciation and Amortization expenses	3	-	--
Total Expenses		14131997	4061294
Profit / (Loss) Before Exceptional And Extraordinary Items And Tax		(3124525)	(2598094)
Extraordinary/ Exceptional Items		-	-
Profit/(Loss) Before Tax		(3124525)	(2598094)
<u>Less: Tax Expenses</u>		-	-
Current Tax		(7919181)	(802370)
Deferred Tax			
Income Tax of Earlier Year w/off		-	17360
Net Profit/(Loss) of the year (A)		(2332607)	(1813084)
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Other Comprehensive Income (B)			
Total Comprehensive Income for the year (A+B)		(2332607)	(1813084)
Earnings Per Equity Share (Par value INR 10/- per share)			
Basic & Diluted Earnings per share		(0.56)	(0.44)

In terms of out report of even date attached

**For M/s. M. VASHIST & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 001281C**

**Sd/-
(MURLI DHAR VASHIST)
Proprietor
M.NO. 79733**

**Place: Jaipur
Date: May 29, 2018**

For & On behalf of the Board of Directors

**Sd/-
KISHORE MEHTA
DIN: 00043865
Managing Director**

**Sd/-
NAWARATAN MALL MEHTA
DIN: 00858126
Director**

**Sd/-
ANSHU KANOONGO
M.NO. A27905
Company Secretary**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

		Year ended on 31.03.2018	Year ended on 31.03.2017
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) Before Tax & Extraordinary Items	(3124525)	(2598094)
	Add/(Deduct)		
	Depreciation	--	--
	Operating Profit Before Working Capital Changes	(3124525)	(2598094)
	Add/(Deduct)		
	Inventories	10675350	(10675350)
	Sundry Debtors	(5932202)	6258371
	Loans and Advances	(12562)	10687570
	Trade Payables	-	-
	Current Liabilities	1914321	449451
	Cash Generated From Operations	3520382	4121948
	Less: Income Tax Paid and TDS deducted (Net of Refund)	24000	109860
	Net Cash Flow From Operating Activities	3496382	4012088
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Investment in Fixed Assets	-	-
	Investment in Shares	-	-
	Net Cash Used In Investing Activities	-	-
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Cash Proceeds from Issuing Shares	-	-
	Proceed From Borrowing	(3731930)	(3773778)
	Net Cash in the Course of Financing Activities	(3731930)	(3773778)
	Net Changes in Cash and Cash Equivalents(A+B+C)	(235548)	238310
	Cash and Cash Equivalents As at 1 st April, 2017 (Opening Balance)	655253	416943
	Cash and Cash Equivalents As at 31 st March, 2018 (Closing Balance)	419704	655253

In terms of out report of even date attached

For & On behalf of the Board of Directors

For M/s. M. VASHIST & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 001281C

Sd/-
KISHORE MEHTA
DIN: 00043865
Managing Director

Sd/-
(MURLI DHAR VASHIST)
Proprietor
M.NO. 79733

Sd/-
NAWARATAN MALL MEHTA
DIN: 00858126
Director

Place: Jaipur
Date: May 29, 2018

Sd/-
ANSHU KANOONGO
M.NO. A27905
Company Secretary

Notes on accounts forming part of the Ind AS financial statements as at and for the year ended 31.03.2018

NOTE '3': PROPERTY, PLANT AND EQUIPMENTS

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

S. No.	Particulars	Gross Carrying Value			Depreciation			Net Carrying Value		
		Balance	Addition	Deletion	Balance	As at	For the	Upto	Balance	Balance
		As at			As at	01.4.2017	Year	As at	As at	As at
		01.04.2017			31.03.2018			31.03.2018	31.03.2018	31.03.2017
A	<u>Tangible Assets</u>									
1	Computer Equipment	1528312	-	-	1528312	1451896	-	1451896	76416	76416
2	Office Equipment	64614	-	-	64614	61384	-	61384	3230	3230
3	Furniture & Fixtures	83872	-	-	83872	79679	-	79679	4193	4193
4	Motor Car	618804	-	-	618804	587863	-	587863	30941	30941
	Total	2295602	-	-	2295602	2180822	-	2180822	114780	114780
	Previous Year	2295602	-	-	2295602	2180822	-	2180822	114780	114780

Note : No depreciation provided for the year as written down value of assets restricted to residual value of assets.

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

S. No.	Particulars	Gross Carrying Value			Depreciation			Net Carrying Value		
		Balance	Addition	Deletion	Balance	As at	For the	Upto	Balance	Balance
		As at			As at	01.4.2016	Year	As at	As at	As at
		01.04.2016			31.03.2017			31.03.2017	31.03.2017	31.03.2016
A	<u>Tangible Assets</u>									
1	Computer Equipment	1528312	-	-	1528312	1451896	-	1451896	76416	76416

2	Office Equipment	64614	-	-	64614	61384	-	61384	3230	3230
3	Furniture & Fixtures	83872	-	-	83872	79679	-	79679	4193	4193
4	Motor Car	618804	-	-	618804	587863	-	587863	30941	30941
	Total	2295602	-	-	2295602	2180822	-	2180822	114780	114780
	Previous Year	2295602	-	-	2295602	2148105	32718	2180823	114779	114779

Note : No depreciation provided for the year as written down value of assets restricted to residual value of assets.

NOTE '4' : FINANCIAL ASSETS : INVESTMENTS:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
<u>Non-current investments</u>			
<u>Unquoted, carried at amortized cost</u>			
<u>Investment in equity instruments (Fully Paid Up)</u>			
1000 (Previous Year: 1000) equity shares of Rs.10/- each	10000	10000	10000
Vaishali Urban Co-operative Bank Limited			
146686 (Previous Year: 146686) equity shares of Rs.100/- each	50999750	50999750	50999750
Abok Spring Pvt Ltd , Associate Concern			
<u>Government Security</u>			
National Saving Certificate(Pledged with Sales Tax Department)	3000	3000	3000
<u>TOTAL</u>	51012750	51012750	51012750
Aggregate amount of quoted investments			
Market value of quoted investments			
Aggregate amount of unquoted investments	51012750	51012750	51012750
Aggregate amount of impairment in value of investments			

NOTE '5' : FINANCIAL ASSETS : LOANS:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
Non current			
Unsecured, Considered good			
Security Deposit	533004	533004	533004
TOTAL	533004	533004	533004

NOTE '6' : DEFERRED TAX ASSETS (NET OF LIABILITY):

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
(a) Deferred Tax Assets			
Carried Forward Losses	1596637	807194	
(b) Deferred Tax Liability			
Difference in Value of Fixed Assets as Per Books and Income Tax records	(15131)	(17606)	(12782)

NOTE '7' : INVENTORIES:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
(As taken, valued and certified by the Management)			
(At lower of cost or net realizable value)			
Trading Goods	--	10675350	--
TOTAL	----	10675350	--

NOTE '8': TRADE RECEIVABLES:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
Current			
Unsecured, considered good	11007472	5075270	11333641

TOTAL	11007472	5075270	11333641
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NOTE '9' : CASH AND CASH EQUIVALENTS:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
Cash in hand (As Certified by the Management)	419704	642201	371008
Balance with Banks:			
In Current Accounts	--	13052	45935
TOTAL	419704	655253	416943

NOTE '10' : OTHER CURRENT ASSETS

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
Advance to Suppliers	1590	--	10687570
Advance with Revenue Authorities	34972	--	--
TOTAL	36562	--	10687570

NOTE '11' : SHARE CAPITAL:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
Authorised Capital			
65,00,000 (Previous year : 65,00,000)Equity Shares of Rs.10/- each	65000000	65000000	65000000
	65000000	65000000	65000000
Issued, Subscribed And Fully Paid-Up Capital			
41,55,000 Equity Shares of Rs. 10/- each fully paid up	41550000	41550000	41550000
(Previous year : 41,55,000 Equity Shares each fully paid up)			
TOTAL	41550000	41550000	41550000
Forfeited Shares			
18,97,000 (Previous year : 18,97,000) Equity Shares @ Rs. 2.50/-	4765500	4765500	4765500

TOTAL	46315500	46315500	46315500
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Notes:

Details of shareholders holding more than 5% shares in the

1. company

Name of Shareholder	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	%	No. of Shares	%	No. of Shares	%	No. of Shares
Shri Kishore Mehta	66.38	2758000	66.38	2758000	66.38	2758000
Smt Asha mehta	6.22	258,600	6.22	258,600	6.22	258,600
Total	72.60	3016600	72.60	3016600	72.60	3016600

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

2. Reconciliation of opening and closing number of Equity Shares

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Equity shares outstanding at the beginning of the year	4155000	4155000	4155000
Add: Equity shares issued during the year			
Less: Equity shares Forfeited during the year			
Equity shares outstanding at the end of the year	4155000	4155000	4155000

Terms /rights attached to shares issued

3. subscribed & paid-up

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

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

NOTE '12' : OTHER EQUITY:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
(a) Retained Earnings			
Surplus : Statement of Profit & Loss			
Balance as per last Balance Sheet	(2357592)	(544508)	(817921)
Add: Net Profit/(Loss) for the current year	(2332607)	(1813084)	273413
Less: Appropriations			
Total Retained Earnings	(4690199)	(2357592)	(544508)
(b) Other Comprehensive Income			
Balance as per last Balance Sheet			
Add: Other Comprehensive Income for the current year			
Total Other Comprehensive Income			
Total Other Equity	(4690199)	(2357592)	(544508)

NOTE '13' : BORROWINGS:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
Current			
Secured			
Loans from Banks repayable on demand			
State Bank of India - Bank overdraft	19936744	23668674	27442452
TOTAL	19936744	23668674	27442452

Nature of Security and terms of repayment for Borrowings :-

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

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

NOTE '14' : OTHER FINANCIAL LIABILITIES:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)

Outstanding Expenses	68562	36461	27538
Overdraft in Current Account	1511033	--	--
Others Liabilities Payable	1550388	1185413	668974
TOTAL	3129983	1221874	696512

NOTE '15' : OTHER CURRENT LIABILITIES:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
Statutory Liabilities	13750	7538	83449
TOTAL	13750	7538	83449

NOTE '16' : REVENUE FROM OPERATIONS:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Sale Software	--	735000
Service Income - Consultancy Receipts	--	728200
Sale of Trading goods	11007472	--
TOTAL	11007472	1463200

NOTE '17' : PURCHASE OF STOCK IN TRADE

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Purchases of Trading Goods	--	10675350
TOTAL	--	10675350

NOTE '18' : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Opening Stock	10675350	
Less: Closing Stock		10675350
TOTAL	10675350	(10675350)

NOTE '19' : EMPLOYEE BENEFIT COST:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Salary	264000	505500
TOTAL	264000	505500

NOTE '20' : FINANCE COSTS:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Interest to Bank	2480208	2875871
TOTAL	2480208	2875871

NOTE '21' : OTHER EXPENSES:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Payment to Auditor		
' - Audit Fee:	17500	17250
' - Taxation Matters	10000	2875
' - Other Services	40000	--
Fees & Subscription	288500	229836
Legal & Professional Expenses	173961	200661
Office Rent	120000	120000
Bank Commission & Charges	14068	30787
Interest Expenses - TDS	2467	5897
Printing & Stationery	1915	1381
Staff Welfare Expenses	3683	3077
Telephone Expenses	6000	6000
Advertisement Expenses	28211	62159
TDS Penalty	6134	--
TOTAL	712439	679923

NOTE '22' : TAX EXPENSES:

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)

(a) Current Tax		
(b) Deferred Tax		
As at the beginning of the year		
Deferred Tax Assets	807194	--
Deferred Tax Liabilities	(17606)	(12782)
Net Deferred Tax Assets / (Liabilities)	789588	(12782)
As at the end of the year		
Deferred Tax Assets	1596637	807194
Deferred Tax Liabilities	(15131)	(17606)
Net Deferred Tax Assets / (Liabilities)	1581506	789588
Deferred Tax charge for the year		
Deferred Tax charged to Statement of Profit & Loss	(791918)	(802370)
Deferred Tax charged to Other Comprehensive Income		
(c) Tax in respect of earlier years		17360
(d) Reconciliation of Tax expenses as per Statement of Profit & Loss with expected Tax expenses on accounting profit		
Profit before income taxes	(3124525)	(2598094)
Enacted tax rate in India	25.75%	29.87%
Computed expected tax expenses	(804565)	(776051)
Effect of Allowances / Non deductible expenses	12647	(8959)
Tax expense recognised in Statement of Profit and Loss	(791918)	(785010)

NOTE '23': OTHER NOTES ON ACCOUNTS

1. Leases

Obligations on long-term, non-cancellable operating leases

<u>Minimum Lease payment</u>	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
Not later than 1 year	--	--	--
Later than 1 year and not later than 5 years	--	--	--
Later than 5 years	--	--	--

2. Earning Per Share

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Profit/(Loss) after tax as per Profit & Loss	(2332607)	(1813084)

A/c		
Weighted Average number of Equity Shares outstanding (Nos.)	4155000	4155000
Basic and Diluted Earning per share (INR)	(0.56)	(0.44)
Face value of shares (INR)	10.00	10.00

3. Contingent Liabilities

There are no contingent liabilities on the company as at the year ended 31.03.2018, 31.03.2017 and 31.03.2016.

4. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Company monitors capital using a gearing ratio, which is net debts divided by total equity plus net debts. Company's policy is to keep the gearing ratio between 30% and 70%. Net debt are non-current and current borrowings as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Cash and Cash Equivalents	419704	655253
Other Bank Balances		
Current Investments		
Total Cash (a)	419704	655253
Non Current Borrowings		
Current Borrowings	19936744	23668674
Current Maturity of Long Term Borrowings		
Total Borrowings (b)	19936744	23668674
Net Debts (c=b-a)	19517040	23013421
Total Equity	41625301	43957908
Total Equity and Net Debts	61142341	66971329
Gearing ratio	31.92%	34.36%

There have been no financial breaches in the financial covenants of any borrowings in the current period.

5. Financial Risk Management

Financial risk management policy and objectives

The key objective of the Company's financial risk management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Company's principal financial liabilities, comprise Borrowings from Banks and other payables. The main purpose of these financial liabilities is to finance Company's operations. Company's principal financial assets include investments, trade and other receivables and cash & cash equivalents, that derive directly from its operations.

Company is exposed to interest rate risk, credit risk and liquidity risk.

The Company's Board oversees the management of these risks. The Company's Board is supported by senior management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial liability will fluctuate because of changes in market interest rates. Financial liabilities affected by interest rate risk include borrowings from bank.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Variable rate borrowings	19936744	23668674
Fixed rate borrowings	---	--

Sensitivity analysis:

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of change in interest rates.

	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Interest rate - decrease by 50 basis point	99684	118343
Interest rate - increase by 50 basis point	(99684)	(118343)

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from its operating activities (primarily trade receivables).

Trade Receivables

Credit risk on trade receivables is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has no concentration of risk as customer base is widely distributed both economically and geographically.

The ageing of trade receivables at the reporting date that were not impaired are as follows:

<u>Particulars</u>	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Upto 180 days	--	749700
above 180 days	11007472	4325570
TOTAL	11007472	5055270

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 23(6). The Company does not hold collateral as security. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as financial condition, ageing of outstanding and the Company's historical experience for customers.

iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from banks at optimised cost and cash flow from operations.

The table summarises the maturity profile of Company's financial liabilities based on contractual undiscounted payments.

<u>Particulars</u>	As at 31.03.2018			Total
	< 1 year	1-5 years	>5 years	
Borrowings	19936744	--	--	19936744
Trade Payables	--	--	--	--
Other liabilities	3129983	--	--	3129983
Total	23066727	--	--	23066727

Particulars	As at 31.03.2017			
	< 1 year	1-5 years	>5 years	Total
Borrowings	23668674	--	--	23668674
Trade Payables	--	--	--	--
Other liabilities	1221874	--	--	1221874
Total	24890548	--	--	24890548

The table below provides details regarding the undrawn limit of various facilities sanction from bank/financial institutions:

Particulars	As at 31.03.2018 Amount (Rs.)	As at 31.03.2017 Amount (Rs.)
Secured Bank Cash credit Facility (Sanctioned Amount)	19060500	19060500
Amount Used	19936744	23668674
Amount Unused	--	--

6. Fair Value Measurement

Particulars	As at 31.03.2018				
	FVTOCI	FVTPL	Amortised cost	Carrying value	Fair Value
Financial Assets					
(i) Investments					
Equity Instruments	-	-	51009750	51009750	51009750
Government security	-	-	3000	3000	3000
(ii) Trade receivables	-	-	11007472	11007472	11007472
(iii) Loans	-	-	533004	533004	533004
(iv) Others	-	-	-	-	-
(v) Bank balance - others	-	-	-	-	-
(vi) Cash & cash equivalents	-	-	419704	419704	419704
Total	-	-	62972930	62972930	62972930
Financial Liabilities					
(i) Borrowings	-	-	19936744	19936744	19936744
(ii) Trade payables	-	-	-	-	-
(iii) Other financial liabilities	-	-	3129983	3129983	3129983

Total	-	-	23066727	23066727	23066727
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Particulars		As at 31.03.2017				
		FVTOCI	FVTPL	Amortised cost	Carrying value	Fair Value
Financial Assets						
(i) Investments						
Equity Instruments		-	-	51009750	51009750	51009750
Government security		-	-	3000	3000	3000
(ii) Trade receivables		-	-	5075270	5075270	5075270
(iii) Loans		-	-	533004	533004	533004
(iv) Others		-	-	-	-	-
(v) Bank balance - others		-	-	-	-	-
(vi) Cash & cash equivalents		-	-	655253	655253	655253
Total		-	-	57276277	57276277	57276277
Financial Liabilities						
(i) Borrowings		-	-	23668674	23668674	23668674
(ii) Trade payables		-	-	-	-	-
(iii) Other financial liabilities		-	-	1221874	1221874	1221874
Total		-	-	24890548	24890548	24890548

Particulars		As at 01.04.2016				
		FVTOCI	FVTPL	Amortised cost	Carrying value	Fair Value
Financial Assets						
(i) Investments						
Equity Instruments		-	-	51009750	51009750	51009750
Government security		-	-	3000	3000	3000
(ii) Trade receivables		-	-	11333641	11333641	11333641
(iii) Loans		-	-	533004	533004	533004
(iv) Others		-	-	-	-	-
(v) Bank balance - others		-	-	-	-	-
(vi) Cash & cash equivalents		-	-	416943	416943	416943
Total		-	-	63296338	63296338	63296338
Financial Liabilities						
(i) Borrowings		-	-	27442452	27442452	27442452
(ii) Trade payables		-	-	-	-	-
(iii) Other financial liabilities		-	-	696512	696512	696512
Total		-	-	28138964	28138964	28138964

Fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.
- 3) The fair value of Investment in mutual fund is based on quoted price.

7. Related Party Disclosures

(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
	31.03.2018		31.03.2017	
<u>Sales & Services:</u> Abok Spring Pvt. Ltd.	-	-	-	735000
<u>Rent Paid:</u> Shri Kishore Mehta	120000	-	120000	-
<u>Payables:</u> Shri Kishore Mehta	1280433	-	1025175	-
<u>Receivable:</u> Abok Spring Pvt. Ltd.	-	-	-	4514270
Shri Kishore Mehta - Rent Deposit	525418	-	525418	-
<u>Investments:</u> Abok Spring Pvt. Ltd.	-	50999750	-	50999750

8. Segment Reporting

The Company is exclusively engaged in the trading of Software & other items and providing software consultancy primarily in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

9. Dues to Micro, Small & Medium Enterprises

There is no principal amount and interest overdue to Micro, Small & Medium enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

10. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

11. 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.

12. First time adoption of Ind AS

These are company's first financial statements prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 "First Time adoption of Indian Accounting Standard", with April 01, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss, is set out in Note 23(12)(ii) and 23(12)(iii). Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in Note 23(12)(i).

(i)Exemptions availed on first time adoption of Ind-AS 101

The Company has opted for historical cost of Property, Plant & Equipments as per Indian GAAP as the deemed cost on the opening balance sheet date.

Notes on accounts forming part of the Ind AS financial statements as at and for the year ended 31.03.2018

'NOTE '1': COMPANY OVERVIEW

Sofcom Systems Limited is a listed public limited company incorporated on June 09, 1995, having registered office at D-36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme, Jaipur. Wonder Cement Limited's Corporate Identification Number is (CIN) L72200RJ1995PLC010192. The company is engaged in business of software sale and consultancy.

'NOTE '2': BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2017. These financial statements comprising of Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.2 Basis of Preparation of Accounts

The financial statements are prepared on going concern, accrual and historical cost basis except certain financial assets and liabilities which have been measured at fair value.

The company has adopted all the Ind AS and that was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 23(12)(ii) and 23(12)(iii).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorize for issue on May 29, 2018.

2.3 Functional and Presentation Currency

The financial statements are prepared in Indian Rupees ("INR") which is the Company's presentation currency and the functional currency for all its operations. All financial information presented in INR has been rounded to the nearest Lakh with two decimal places unless stated otherwise.

2.4 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

The company based its assumptions and estimates or parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Property, Plant & Equipment and Intangible Assets

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

2.5 Classification of Assets and Liabilities as Current and Non Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Sale of Goods

Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of consideration that will be derived from the sales of goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

2.7 Inventory

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Property, Plant & Equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset only if the recognition criteria for a provision are met and amount is considered material.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation

Depreciation is calculated on Straight Line basis over the useful lives of the assets as prescribed in Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.9 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research and Development Costs

Research costs are expensed as incurred. Development expenditures are recognised as an intangible asset when they meet necessary recognition criteria.

2.10 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation.

2.11 Impairment of Assets

Non-financial asset

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

2.12 Financial Assets & Liabilities

Financial Instruments

a) Initial Recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Subsequent Measurement

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

2.13 Foreign Exchange Transactions/Translations

Financial statements are presented in INR, which is company's functional currency. Monetary assets and liabilities denominated in foreign currencies (except financial instruments designated as Hedge Instruments) are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

All exchange differences are included in profit or loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

2.14 Employee Benefits

Short-term Employee Benefits are recognised as an expense on accrual basis. The Company does not have any liability towards long-term employee benefits.

2.15 Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be paid to or recovered from to the taxation authorities in accordance with Income Tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

Deferred Tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.16 Provision, Contingent Liabilities & Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the

control of the entity. Contingent assets are not recognised in financial statements and are disclosed in notes when it is virtually certain that economic benefits will inflow to the company.

2.17 Segment Reporting

Identification of Segments: An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.18 Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.20 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.21 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

2.22 Fair Value Management

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.23 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 01, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115, Revenue from Contract with Customers:

On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The new revenue standard is applicable to the Company from April 01, 2018.

The standard permits two possible methods of transition:

- a) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- b) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

In terms of out report of even date attached

For & On behalf of the Board of Directors

**For M/s. M. VASHIST & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 001281C**

**Sd/-
KISHORE MEHTA
DIN: 00043865
Managing Director**

**Sd/-
(MURLI DHAR VASHIST)
Proprietor
M.NO. 79733**

**Sd/-
NAWARATAN MALL MEHTA
DIN: 00858126
Director**

**Sd/-
ANSHU KANOONGO
M.NO. A27905
Company Secretary**

**Place: Jaipur
Date: May 29, 2018**

STATUTORY SECTIONS

- Notice & Annexure to Notice
- Brief Profile of Director re-appointed
- Proxy Form
- Attendance Slip
- Route Map



NOTICE of 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the members of SOFCOM SYSTEMS LIMITED will be held as per the schedule below:

DAY & DATE	: Friday, 28 th September, 2018
TIME	: 11:00 A.M.
VENUE	: D- 36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme, Jaipur - 302001, Rajasthan.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Asha Mehta (DIN: 00043841), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint **M/s. M. Vashisht & CO.**, Chartered Accountants (Firm registration No. 012281C) as the Statutory Auditors of the Company and to fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as may be applicable (including any statutory modification, variation or re-enactment thereof), approval of members of the Company be and is hereby accorded to the appointment of **M/s M. Vashisht & Co., Chartered Accountants (FRN: 012281C)** as the Statutory Auditors of the Company to hold the office for a term of five years (2018-19 to 2022-2023) from the conclusion of this 23rd Annual General Meeting of the Company until the conclusion of 28th Annual General Meeting for the audit of the financial statement(s) of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to fix their remuneration based on the recommendation of Audit committee including reimbursement of actual out of pocket expenses.”

Date: 03/09/2018

Place: Jaipur

**By Order of the Board
For SOFCOM SYSTEMS LIMITED
CIN: L72200RJ1995PLC010192**

Sd/-
**ANSHU KANOONGO
(COMPANY SECRETARY)**

NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DELIVERED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.*

Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

2. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during the business hours up to the date of the Meeting.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday 22nd September, 2018 to Friday, 28th September, 2018 (both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates

immediately to the Company or its Registrar and Transfer Agents, Sharex Dynamic (India) Pvt. Ltd (hereinafter referred to as “RTA”).

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company /RTA.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their Shareholding in the Company. The nomination form can be obtained from the Company / RTA.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to RTA for consolidation into a single folio.
11. The Shareholders who wish to make nomination may send their application in prescribed Form No. SH-13 [under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014 which can be obtained from the Company / RTA.
12. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

13. **Voting through electronic means:**

- A. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and Section 108 of Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended the Company is pleased to provide the Members the facility to cast their vote at 23rd Annual General Meeting, through the electronic means. The facility of casting votes by a member using an electronic voting system from a place other than the venue of the AGM (Remote e-voting) will be provided by National Securities Depository Limited (NSDL) on all resolutions set forth in this Notice. The items of business as detailed in this notice may be transacted through remote electronic voting system/ poll.

- B. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of 21st September, 2018 only shall be entitled to avail the facility of Remote e-voting as well as voting at the AGM through Poll.
- C. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- D. The facility for electronic voting shall not be made available at the AGM.
- E. The Members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. However, in case a member casts his/ her vote both by electronic voting at the AGM and by remote e-voting, then voting done through remote-voting shall be considered and voting at the AGM will be treated as invalid.
- F. The remote e-voting period begins from 25th September, 2018 (9:00 A.M.) and ends on (5:00 P.M.) 27th September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September 2018, may cast their vote electronically. The Remote e-voting module shall be disabled by NSDL for voting thereafter.
- G. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital as on the cut-off date of 21st September, 2018.

The instructions for remote e-voting are as under:

- H. Members holding shares in dematerialized form as on the cut-off date or record date i.e. 21st September, 2018 and whose e-mail addresses are registered with the Company/ Depository Participant will receive an e-mail from NSDL informing the User ID and Password/PIN.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

- (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically

- (iv) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- (v) Your password details are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a PDF file. Open the PDF file. The password to open the PDF file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- (vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password.
- a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- (vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

- (viii) Now, you will have to click on “Login” button.
- (ix) After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

- (i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- (ii) After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- (iii) Select “EVEN” of company for which you wish to cast your vote.
- (iv) Now you are ready for e-Voting as the Voting page opens
- (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- (vi) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mahendra927@gmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
 - I. Mr. Mahendra Prakash Khandelwal, Proprietor of Mahendra Khandelwal & Company, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the Remote e-voting process as well as the voting through poll at the AGM in a fair and transparent manner.
 - J. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting through poll, with the assistance of scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the Remote e-voting facility.
 - K. The Scrutinizer after the conclusion of voting at the AGM, will unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a Director .
 - L. Authorized by him in writing, who shall countersign the same. The Chairman or the authorized Director shall declare the result of the voting forthwith.
 - M. The Results declared along with the Scrutinizer's Report shall be displayed at the Registered Office and uploaded on the Company's website www.sofcomsystems.com as well as on the website of NSDL after the same is declared by the Chairman/authorized person. The Results shall also be simultaneously forwarded to the stock exchanges.
14. Additional particulars of Directors retiring by rotation and eligible for reappointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are mentioned separately in this Annual Report.
 15. Members who hold shares in dematerialized form are requested to bring their client ID and Depository Participant's ID numbers for easy identification.
 16. Physical share transfer request should be accompanied by valid transfer deed, duly stamped, ADHAAR and PAN card copy of both transferor and transferee.

17. This Notice and the annual report of the Company circulated to the Members of the Company will be made available on the Company's website at www.sofcomsystems.com and on the website of NSDL at www.nsdl.co.in.
18. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
19. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged with the Company from 09:00 A. M. IST to 05:00 P. M. IST at the registered office of the Company, provided that a requisition for the same from a Member is received in writing not less than 3 days before the Commencement of the Meeting.
20. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered/Corporate Office of the Company from 11:00 A.M. IST to 01:00 P.M. IST on all working days from the date hereof up to the date of the Meeting. The relevant documents referred to in the Notice and Explanatory Statement will also be available for inspection by the Members at the Meeting.
21. Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits sending of soft copies of annual reports to all those Members who have registered their email addresses for the said purpose.

The Companies Act, 2013 has also recognized serving of documents to any Member through electronic mode. Email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Sections 101 and to transmission of documents in electronic mode. In light of the 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended March 31, 2018 would be dispatched.

The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report, etc. will also be displayed on the website of the company www.sofcomsystems.com and the other requirements as applicable will be duly complied with. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members who have not registered their email id with their Depository Participants are requested to do so and support the green initiative. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned for quoting their folio number(s).

Date: 03/09/2018

Place: Jaipur

**By Order of the Board
For SOFCOM SYSTEMS LIMITED
CIN: L72200RJ1995PLC010192**

Sd/-
**ANSHU KANOONGO
(COMPANY SECRETARY)**

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE AGM PURSUANT TO REGULATIONS 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARDS - 2 ON GENERAL MEETINGS

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, following information is furnished about the Directors proposed to be appointed/re-appointed.

Mrs. ASHA MEHTA

Name of the Director	ASHA MEHTA
Age	52 Years
Father Name	UTTAM CHAND JAIN
Date of first appointment on Board	19/03/2014
Qualification	Graduate
Status of Directorship Position In Company	She is Promoter and Non Executive Director of the Company.
Expertise in specific functional areas	She is having expertise in the field of management
Other Directorships	Nil
Relationship with other Directors, managers and other key managerial personnel of the Company	Kishore Mehta: Husband Nawratan Mall Mehta: Brother-in-law
No. of Equity shares held in the Company as on 31/03/ 2018	258600
No. of board meetings attended during the year	5
Terms and conditions of appointment or re-appointment	Non-Executive Director liable to retire by rotation

SOFCOM SYSTEMS LIMITED

CIN: L72200RJ1995PLC010192

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

Website: www.sofcomsystems.com ; E-mail ID: sofcomsystemsLtd@gmail.com

Phone No.: 0141-2340221/2370947

PROXY FORM

MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

1. Name of Member(s):

Registered address:

E-mail Id:

Folio No. / Client ID No.: _____

DP ID No.: _____

I/We, being the holder(s) of _____ Shares of Sofcom Systems Limited,
hereby appoint:

1. Name: _____

Email Id: _____

Address: _____

Signature: _____ Or failing him/her;

2. Name: _____

Email Id: _____

Address: _____

Signature: _____ Or failing him/her;

3. Name: _____

Email Id: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Third Annual General Meeting of the company, to be held on Friday, 28th September, 2018 at D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme Jaipur, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	RESOLUTION	VOTE	
		FOR	AGAINST
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Asha Mehta (DIN: 00043841), who retires by rotation and being eligible, offers herself for re-appointment.		
3.	Appointment of M/s M. Vashisht & CO., as Statutory Auditors & fixing their remuneration thereof for F.Y. 2018-2019 to 2022-2023		

Signed this..... day of..... 2018

Signature of Shareholder(s): _____

Signature of Proxy holder: _____

AFFIX
REVENUE
STAMP

SOFCOM SYSTEMS LIMITED

CIN: L72200RJ1995PLC010192

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

Website: www.sofcomsystems.com ; **E-mail ID:** sofcomsystemsltd@gmail.com

Phone No.: 0141-2340221/2370947

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at D-36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme, Jaipur, Rajasthan 301001, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 23rd Annual General Meeting of the Company.

SOFCOM SYSTEMS LIMITED

CIN: L72200RJ1995PLC010192

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

Website: www.sofcomsystems.com ; **E-mail ID:** sofcomsystemsltd@gmail.com

Phone No.: 0141-2340221/2370947

ATTENDANCE SLIP

23rd Annual General Meeting on Friday, 28th September, 2018 at 11:00 AM At D-36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme, Jaipur, Rajasthan

Folio No.:	DP ID No.:	Client ID No.:

I/We record my/our presence at the Twenty Second Annual General Meeting to be held on Friday, 28th September, 2018 at D-36, Subhash Marg, Flat No. 802, Sheel Mohar Apartment, C-Scheme, Jaipur, Rajasthan at 11.00 A.M.

Name of the Member _____
Signature _____
Name of the Proxy holder _____
Signature _____

NOTES:

1. Only Member/Proxy holder can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. A Member/Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.

MAP OF THE REGISTERED OFFICE
23rd AGM: Route Map to The AGM Venue



QUICK LINK FOR ADDRESS:

<https://www.google.co.in/maps/dir/Jaipur,+20,+Station+Road,+Barodia+Scheme,+Gopallbari,+Jaipur,+Rajasthan+302008/Subhash+Marg,+Jaipur,+Rajasthan/@26.9118855,75.7912136,15z/data=!4m14!4m13!1m5!1m1!1s0x396db3f5ae555701:0xcaf3e6cd85aec1a1!2m2!1d75.7878962!2d26.9197822!1m5!1m1!1s0x396db41a13a7a697:0xe052ecaa0e6c7b01!2m2!1d75.8001285!2d26.9088012!3e0>