

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

To,
The Manager (Department of Corporate Affairs)
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai- 400001

September 1, 2020

SCRIP CODE: 538923; SCRIP NAME: SOFCOM

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Subject: Annual Report for the financial year 2019-20 and Notice convening the 25th Annual General Meeting

Dear Sir,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for F.Y. 2019-20 along with the Notice convening the 25th Annual General Meeting (AGM) of the Company.

In compliance with Ministry of Corporate Affairs Circular no 20/2020 dated 5 May, 2020 read with Circular no. 14/2020 dated 8 April, 2020 and Circular no 17/2020 dated 13 April, 2020 respectively and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Annual Report of the Company for F.Y. 2019-20 and Notice of 25th AGM has been sent through email to all the Members who's Email Ids are registered with the Company/Depository Participant.

Thanking You,

For SOFCOM SYSTEMS LIMITED

Vandana Kanwar



Vandana Kanwar
(Company Secretary & Compliance officer)



CELEBRATING

25

YEARS

25TH ANNUAL REPORT

2019-2020

BOARD OF DIRECTORS

*MR.KISHORE MEHTA
CHAIRMAN & MANAGING DIRECTOR

*MR.NAWRATAN MALL MEHTA
NON EXECUTIVE DIRECTOR

*MRS.ASHA MEHTA
NON EXECUTIVE DIRECTOR

*MR. GANESHPRASAD PRATAP
MURARIKA
NON EXECUTIVE INDEPENDENT DIRECTOR

*MR. RAKESH PANDEY
NON EXECUTIVE INDEPENDENT DIRECTOR

*ANIL NAHAR
NON EXECUTIVE INDEPENDENT DIRECTOR

REGISTERED OFFICE ADDRESS



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



0141-2340221/2370947,
Fax: 022-28512885



sofcomsystemsltd@gmail.com



www.sofcomsystems.com

Contact Person: Mr. Devraj Sharma



• AUDITORS

M/s. M. Vashist & Co., Chartered Accountants

67/R.H.B, Pratap Nagar, Sanganer, Jaipur-302033, Rajasthan

Tel.: 0141-2790235

Email: watikamurli@yahoo.com

Contact Person: Mr. Murli Dhar Vashist



• COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Vandana Kanwar

Tel.: 0141-2340221/2370947,

Fax: 0141-2348019



• 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



• BANKER

State Bank of India

• CHIEF FINANCIAL OFFICER

Mr. Hari Om Vijay

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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 fledging retail revolution. As the new scenario unfolds it is getting clear that the future growth of IT and ITES will be fuelled by the verticals of climate change, mobile applications, healthcare, energy efficiency and sustainable energy. Traditional business strongholds would make way for new geographies, there would be new customers and more and more of SMEs will go for IT application and services.

OPPORTUNITIES AND THREATS

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

OUTLOOK

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

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

RISKS AND CONCERNS

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

DIRECTOR'S REPORT

To
The Members,
SOFCOM SYSTEMS LIMITED

Your Directors have pleasure in presenting the 25th Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31, 2020.

1. SUMMARY OF FINANCIAL RESULTS:

Particulars	Amount (in lacs)	
	2019-20	2018-19
Business & Other Income	--	--
Other Expense excluding Interest, Depreciation & Tax	8.51	9.44
Profit / (Loss) before Interest, Depreciation & Tax	(8.51)	(9.44)
Less: Interest	24.10	28.64
Less: Depreciation	--	--
Profit / (Loss) before tax	(32.61)	(38.08)
Exceptional Items		
Less: Provision for Tax:		
a. Current Year	--	--
b. Deferred Tax	(8.44)	(6.20)
c. MAT Credit Entitlement	--	--
d. Income Tax of Earlier Year w/off	--	--
Profit / (Loss) for the Period	(24.17)	(31.88)
Basic & Diluted Earnings per share	(0.58)	(0.77)

2. DIVIDEND:

The board of directors has not recommended 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:

3 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 2019-20, 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 have been listed on Bombay Stock Exchange, Calcutta Stock Exchange and Madras Stock Exchange.

12. AUDITORS:

a. Statutory Auditors:

4 In accordance with Sec 139 of the Companies Act, 2013, M/s M. Vashisht & Co. (FRN: 012281C), Chartered Accountant were appointed by the shareholders of the Company at the Annual General Meeting held on

September 28, 2018, as Statutory Auditors for a period of 5 years to hold office from the conclusion of 23rd AGM till the conclusion of the 28th Annual General Meeting of the Company to be held in calendar year 2023.

The Ministry of Corporate Affairs vide its Notification dated May 7, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Members for the ratification of Auditor's appointment is not being sought at the ensuing Annual General Meeting.

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 2019-20.

d. Secretarial Audit Report

The Secretarial Audit Report is annexed to this Board report as Annexure- VI.

Qualifications made in Secretarial Audit

- a) As per Regulation 3(5) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, From April 1, 2019, SEBI requires all listed companies to maintain a non-tamperable 'Structured Digital Database' to keep track of all unpublished price sensitive information (UPSI) and the trading activities of Designated Persons (DPs), who become aware of the UPSI.

The company has not maintain any such digital database during the year and thus not complied with the above regulation.

Explanation by Board: The company has searched out for prospective software provider in the market. We have also take many demo and trails upon such software. But, it could not find suitable as per the requirements of the company. Further, the same was not available in the price as seems reasonable to the company. Presently, the company is maintaining the data required as per the provisions of this regulation in EXCEL format under the supervision of authorized person. The company will soon maintain a non-tamperable 'Structured Digital Database' to keep track of all unpublished price sensitive information (UPSI) and the trading activities of Designated Persons (DPs), who become aware of the UPSI.

- b) Section 137 (1) of the Companies Act, 2013, A copy of the financial statement, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this Act, duly adopted at the Annual General Meeting of the company, shall be filed with the Registrar within thirty days of the date of annual general meeting in such manner, with such fees or additional fees as may be prescribed.

The financial statements along with the necessary annexure for the F.Y. ended on 31st March, 2019 are not filed with the Registrar of Companies by the company.

Explanation by Board: Due to some technical issues, company could not file form AOC-4 XBRL within the time. The company will file the form as soon as possible.

13. DIRECTORS /KEY MANAGERIAL PERSONNEL:

a. Retire by Rotation

The Independent Directors hold office for a fixed period of five years from the date of their appointment and are not liable to retire by rotation. Out of the remaining Non-Executive/ Non-Independent Directors, in accordance with the provisions of the Companies Act and the Articles of Association of the Company, Ms. Asha Mehta (DIN: 00043841) being longest in office retire by rotation and being eligible, offer his candidature for reappointment as Director.

b. Independent Directors and their Declaration of Independence

The Board of the Company as on March 31, 2020 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 as on 31st March 2020 and changes during the year

The Board of the Company as on March 31, 2020 consist of 6 directors out of which 3 are Independent directors, one is Managing Director and two are Non Executive director.

There were changes in the composition of key managerial personnel during the financial year 2019-20.

S.No.	Name Of Director	Designation	Nature of Change	Date of Change
1.	Mr. Krishnanand Pant	Non-Executive Independent Director	Cessation	4 th March, 2019
2.	Mr. Sanjay Kumar Verma	Non-Executive Independent Director	Cessation	4 th March, 2019
3.	Mr. Arnab Banerjee	Non-Executive Independent Director	Cessation	4 th March, 2019
4.	Mr. Ganeshprasad Pratap Murarika	Non-Executive Independent Director	Appointment	21 st May, 2019
5.	Mr. Rakesh Pandey	Non-Executive Independent Director	Appointment	21 st May, 2019
6.	Mr. Anil Nahar	Non-Executive Independent Director	Appointment	26 th Sep., 2019

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

There are changes in the composition of Key Managerial Personnel on account of resignation of Ms. Anshu Kanoongo as Company secretary w.e.f. 23rd April, 2019 and appointment of Ms. Vandana Kanwar as Company Secretary w.e.f. 01st July, 2019 during the financial year 2019-20.

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 31.03.2020	As on 31.03.2019
a) Earnings in foreign exchange	Nil	Nil
b) Expenditure / outgo in foreign exchange (Travelling)	Nil	Nil

15. MEETINGS

During the financial year 2019-20, following meetings were convened:

❖ **Board Meetings**

S. No.	Date of Board Meeting	Board's Strength	No. of Directors Present
1.	01/04/2019	3	3
2.	23/04/2019	3	3
3.	21/05/2019	3	3
4.	30/05/2019	5	5
5.	13/07/2019	5	5
6.	05/08/2019	5	5
7.	28/08/2019	5	5
8.	14/11/2019	6	6
9.	12/02/2020	6	6

❖ **Audit Committee Meetings**

S. No.	Date of Meeting	Strength of Members	No. of Members Present
1.	30/05/2019	3	3
2.	05/08/2019	3	3
3.	14/11/2019	3	3

4.	12/02/2020	3	3
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❖ **Nomination & Remuneration Committee Meetings**

S. No.	Date of Meeting	Strength of Members	No. of members present
1.	01/07/2019	3	3
2.	28/08/2019	3	3

❖ **Independent Director's Meeting**

S. No.	Date of Meeting	Strength of Members	No. of members present
1.	14/11/2019	3	3

❖ **Stakeholder Relationship's Meeting**

S. No.	Date of Meeting	Strength of Members	No. of members present
1.	28/08/2019	3	3

❖ **Members Meeting**

S. No.	Type of Meeting	Date of Meeting	Total No. of Members Entitle to Attend	Number of Members Attended
1.	Annual General Meeting	26-09-2019	254	12

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 2019-20.

(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.

22. 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.

23. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Management Discussion & Analysis Report and Corporate Governance, which forms a part of this Report, are set out separately as Annexure-III and Annexure- VI respectively 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 as Annexure V.

24. GREEN INTIATIVES:

Electronic copies of the Annual Report 2019-20 and the notice of 25th 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.

25. 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.

26. OTHER DISCLOSURES AND STATUTORY INFORMATION:

a. Compliance with Secretarial Standards

The Company complies with applicable secretarial standards.

b. Policies and code adopted by the Company

The Board of Directors has from time to time framed and approved policies as required by the SEBI LODR Regulations as well as under the Companies Act, 2013. These policies will be reviewed by the Board at periodic intervals. Some of the key policies that have been adopted are as follows:

- ✓ Code for Disclosure of Unpublished Price Sensitive Information
- ✓ Code of Conduct for Insider Trading
- ✓ Policy on Related Party Transactions
- ✓ Code of Conduct for Directors and Senior Management Personnel
- ✓ Whistle Blower Policy

The above policies are available on the Company's website on the link <http://www.sofcomsystems.com/investor.html>.

27. Impact of COVID-19

The rampant spread of COVID-19 outbreak, across borders and geographies, has severely impacted almost the whole world and India has not been spared. This situation, clubbed with sluggish economic growth in the previous year, especially in a developing country like India, is leading to extremely volatile market conditions. Further, the prolonged country-wide lockdown, global economic downturn and associated disruption of demand and supply chains, had a major impact on the Company. Complying with the government's directives on social distancing and striving to run business as usual, company is making the best of this unprecedented situation and taking care of the proper health and hygiene of the members and all other employees working in this situation. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. The office works switch to work from home for employees.

28. 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: September 01, 2020

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 31st March, 2020
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 Telephone: 022-28515606/44

B. Principal Business Activities of the Company:				
All the business activities contributing 10% or more of the total turnover of the company shall be stated:				
Sr. No.	Name and Description of main products / services	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%
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C. Particulars of Holding, Subsidiary And Associate Companies:

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/As sociate	% 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 01-04-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoter's Shareholding

(1) Indian

(a) Individual	3016600	--	3016600	72.60	3016600	--	3016600	72.60	--
(b) Central Govt.	--	--	--	--	--	--	--	--	--
(c) State Govt(s)	--	--	--	--	--	--	--	--	--
(d) Bodies Corp	--	--	--	--	--	--	--	--	--
(e) FII/ Banks	--	--	--	--	--	--	--	--	--
(f). Any Other (Specify)	--	--	--	--	--	--	--	--	--

Sub-total (A) (1):-	3016600	--	3016600	72.60	3016600	--	3016600	72.60	--
(2) Foreign									
(a) Individual NRI	--	--	--	--	--	--	--	--	--
(b) Other Individual	--	--	--	--	--	--	--	--	--
(c) Bodies Corporate	--	--	--	--	--	--	--	--	--
(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 Companies	--	--	--	--	--	--	--	--	--
(g) FIIs	--	--	--	--	--	--	--	--	--
(h) Foreign Venture	--	--	--	--	--	--	--	--	--

Capital Funds									
(i) Others (specify)	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
(2) Non-Institutions									
(a) Bodies corp.									
(i) Indian	755932	--	755932	18.19	755882	--	755882	18.19	
(ii) Overseas	--	--	--	--	--	--	--	--	--
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	5734	2100	7834	0.2	5874	2100	7974	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)									
Clearing members	89	--	89	0.002	--	--	--	--	--
Non Resident Indians	99	--	99	0.002	99	--	99	0.002	--
HUF	476	25	501	0.012	475	25	500	0.012	--
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 01/04/2019			Share holding at the end of the Year 31/03/2020			% 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	01-04-2019	198275	4.77	198275	4.77
		31-03-2020	198275	4.77	198275	4.77
2	Prime Mine Jewels Pvt.Ltd	01-04-2019	196000	4.72	196000	4.72
		31-03-2020	196000	4.72	196000	4.72

3	Crystal Mine O Gems Private Limited	01-04-2019	195000	4.69	195000	4.69
		31-03-2020	195000	4.69	195000	4.69
4	Sethia Gems Private Limited	01-04-2019	185000	4.45	185000	4.45
		31-03-2020	184949	4.45	184949	4.45
5	Jalak Kamal Jain	01-04-2019	175670	4.23	175670	4.23
		31-03-2020	175670	4.23	175670	4.23
6	Manmohan Gems Private Limited	01-04-2019	175000	4.21	175000	4.21
		31-03-2020	175000	4.21	175000	4.21

(v) Shareholding of Directors and Key Managerial Personnel:

Sr . No.	Particulars	Date	Shareholding at the beginning/end of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Asha Mehta	01-04-2019	258600	6.22	258600	6.22
		31-03-2020	258600	6.22	258600	6.22
2	Kishore Mehta	01-04-2019	2758000	66.38	2758000	66.38
		31-03-2020	2758000	66.38	2758000	66.38
3	Ganeshprasad Pratap Murarika	01-04-2019	--	--	--	--
		31-03-2020	--	--	--	--
4	Nawratan Mall Mehta	01-04-2019	--	--	--	--
		31-03-2020	--	--	--	--
5	Rakesh Pandey	01-04-2019	--	--	--	--
		31-03-2020	--	--	--	--
6	Anil Nahar	01-04-2019	--	--	--	--
		31-03-2020	--	--	--	--

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	16158542	6644730	--	22803272
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--

Total (i+ii+iii)	16158542	6644730	--	22803272
Change in Indebtedness during the financial year				
• Addition	--	6343824	--	6343824
• Reduction	3974119	--	--	(3974119)
Net Change	(3974119)	6343824	--	2369705
Indebtedness at the end of the financial year				
i) Principal Amount	12184423	12988554	--	25172977
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	12184423	12988554	--	25172977

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	--	--
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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	1,80,000	--	1,80,000
	(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	1,80,000	--	1,80,000
--	--------------	-----------------	-----------	-----------------

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	No Penalty, Punishment and Compounding offences during the F.Y.				
Punishment					
Compounding					
B. Directors					
Penalty	No Penalty, Punishment and Compounding offences during the F.Y.				
Punishment					
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: September 01, 2020
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.: 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, 2020 (in Lacs)
1.	Kishore Mehta	Director	Rent paid	1.20
			Reimbursement of Expenses	17.27
			Payables	32.07
			Receivable (Rent deposit)	5.25
2.	Abok Spring Private Limited	Enterprises owned or significantly influenced by key management personnel or their relatives where transactions have taken place	Payables	63.44

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

Date: September 01, 2020
Place: Jaipur

Sd/-
KISHORE MEHTA
Managing Director
DIN: 00043865

Sd/-
NAWRATAN MALL MEHTA
Director
DIN: 00858126

CORPORATE GOVERNANCE REPORT



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

All the Directors on the Board hold Directorship(s), Committee Membership(s)/ Chairmanship(s) within respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations. Necessary disclosures about their Directorship(s), Committee Membership(s)/Chairmanship(s) including any changes, if any, in their positions in other Public Companies (Listed or Unlisted) have been timely informed by the Directors.

b) Changes in the Composition of Directors

• Changes in the designation & appointments

Mr. Nawratan Mall Mehta, Non-Executive Director who retired by rotation was re-appointed as Director at the 24th Annual General Meeting of the company held on 26th September, 2019.

Appointment of Non-Executive - Independent Director takes place during the year

S. No.	Name Of Director	DIN	Date Of Appointment
1.	Mr. Ganeshprasad Pratap Murarika	08457083	21/05/2019
2.	Mr. Rakesh Pandey	08457085	21/05/2019
3.	Mr. Anil Nahar	08536374	26/09/2019

• Resignations or removal of the Directors, if any

Resignation of Non-Executive - Independent Director takes place during the year:

S. No.	Name Of Director	DIN	Date Of Appointment
1.	Mr. Krishnanand Pant	06844490	04/03/2019
2.	Mr. Sanjay Kumar Verma	06844513	04/03/2019
3.	Mr. Arnab Banerjee	00858108	04/03/2019

The resignation of above mentioned Non-Executive Independent Directors of the company was took note by the Board of directors in their meeting held on 21st May, 2019 effective from 04th, March, 2019.

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

During the financial year ended March 31st, 2020, Nine Board Meetings were held on 01st April, 2019, 23rd April, 2019, 21st May, 2019, 30th May, 2019, 13th July 2019, 05th August, 2019, 28th August, 2019, 14th November, 2019 and 12th February, 2020. 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, 2020, were as under:

Name of the Director with DIN	Composition and Category	No. of Board Meetings attended	Attendance at last AGM held on September 26 th , 2019
Mr. Kishore Mehta (00043865)	Chairman cum Managing Director	9	Yes

Mr. Nawrattan Mall Mehta (00858126)	Non Executive Non Independent Director	9	Yes
Mrs. Asha Mehta (00043841)	Non Executive Non Independent Director	9	Yes
Mr. Ganeshprasad Pratap Murarika (08457083)	Non Executive Independent Director	6	Yes
Mr. Rakesh Pandey (08457085)	Non Executive Independent Director	6	Yes
Mr. Anil Nahar (08536374)	Non Executive Independent Director	2	No

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, 2020, Four Audit Committee Meetings were held on 30th May, 2019, 05th August, 2019, 14th November, 2019 and 12th February, 2020.

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. Ganeshprasad Pratap Murarika	Non-Executive Independent Director	Chairman	4

Mr. Rakesh Pandey	Non-Executive Independent Director	Member	4
Ms. Asha Mehta	Non-Executive Non Independent Director	Member	4

The Audit Committee of the company was reconstituted on 21st May, 2019 comprising of the following directors of the company:

Name of Director	Designation	Category
Ganeshprasad Pratap Murarika	Chairman	Non-Executive Independent Director
Rakesh Pandey	Member	Non-Executive Independent Director
Asha Mehta	Member	Non-Executive Non Independent Director

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, 2020 Two meetings of Nomination And Remuneration Committee were held on 01st July,2019 and 28th August, 2019 .

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. Ganeshprasad Pratap Murarika	Non-Executive Independent Director	Chairman	2
Mr. Rakesh Pandey	Non-Executive Independent Director	Member	2
Ms. Asha Mehta	Non-Executive Non Independent Director	Member	2

The Nomination And Remuneration Committee of the company was reconstituted on 21st May, 2019 comprising of the following directors of the company:

Name of Director	Designation	Category
Ganeshprasad Pratap Murarika	Chairman	Non-Executive Independent Director
Rakesh Pandey	Member	Non-Executive Independent Director
Asha Mehta	Member	Non-Executive Non Independent Director

Executive Director are associated with the Company since Incorporation

Details of equity shares of the Company held by the Directors as on March 31st, 2020 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, 2020, one meeting of Stakeholders Relationship Committee Meetings was held on 28th August, 2019.

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. Ganeshprasad Pratap Murarika	Non-Executive Independent Director	Chairman	1
Mr. Rakesh Pandey	Non-Executive Independent Director	Member	1
Ms. Asha Mehta	Non-Executive Non Independent Director	Member	1

The Stakeholders Relationship Committee of the company was reconstituted on 21st May, 2019 comprising of the following directors of the company:

Name of Director	Designation	Category
Ganeshprasad Pratap Murarika	Chairman	Non-Executive Independent Director
Rakesh Pandey	Member	Non-Executive Independent Director
Asha Mehta	Member	Non-Executive Non Independent Director

The Company has attended the investor's grievances / correspondence promptly. There were no investors' complaints pending as on March 31, 2020. There were no outstanding requests for transfer & nil pending requests for dematerialization of shares as on March 31, 2020.

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, 2020, one meeting of Independent Directors was held on 14th November, 2019.

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

Name	Total Meetings Attended
Mr. Ganeshprasad Pratap Murarika (08457083)	1
Mr. Rakesh Pandey (08457085)	1
Mr. Anil Nahar (08536374)	1

7. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
2018-19	26 th September, 2019	11:00 A.M.	D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme Jaipur, Rajasthan
2017-18	28 th September, 2018	11:00 A.M.	D-36, Subhash Marg, Flat No. 802 Sheel Mohar Apartment, C-Scheme Jaipur, Rajasthan
2016-17	28 th September, 2017	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 2019-2020.

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-Mumbai Edition (English Newspaper) and Pakshi ka Sandesh-Jaipur Edition (Hindi Newspaper).

Management Discussion & Analysis Report for the year ended March 31st, 2020 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 76 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, 2020, 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 of Annual General Meeting	Saturday, 26th September, 2020 at 03.00 P.M.
Venue of Annual General Meeting	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Financial Year	01 st April, 2019 to 31 st March, 2020

Date of Book Closure	20th September, 2020 to 26th September, 2020 (both days Inclusive)
Listing on Stock Exchange	Shares of the Company are listed on BSE Limited
Record Date and Cut Off Date	19 th September, 2020
Electronic Voting period	From 9.00 A.M. on September 23, 2020 to 5.00 P.M. on September 25, 2020, both days inclusive
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, 2020 :**

	Category	No. of shares	% of total Shareholding
a.	Promoter's holding	3016600	72.60%
b.	Bank/FIIs	--	--
c.	Corporate Bodies	755882	18.19%
d.	Public (In India)	381919	9.19%
e.	NRIs / OCBs	99	0.0024%
f.	Clearing Member	--	--
g.	Any Other (Trust)	--	--
TOTAL		4155000	100%

➤ **Dematerialization of shares:**

95.177% of the Company's paid up equity share capital has been dematerialized up to March 31, 2020. 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, 2020 are as under:

Depository	No. of Shares	% of Capital
CDSL	3952867	95.14
NSDL	1733	0.04
Total	3954600	95.18

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 Ms. Vandana Kanwar, Company Secretary and Compliance officer, on sofcomsystemsLtd@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: September 01, 2020**

**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, 2020, 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: September 01, 2020

Sd/-
Murli Dhar Vashist
Proprietor
M. No: 079733

Certifications



CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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 in respect to the Financial Year ended on March 31, 2020:

- 1) We have reviewed the financial statements and the Cash Flow Statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
 - i. These statements do not contain any material untrue statements 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.
- 2) 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.
- 3) 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.
- 4) 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: July 30, 2020

Place: Jaipur

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

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

DECLARATION TO COMPLIANCE OF CODE OF CONDUCT

This is to certify that the company has laid down its code of conduct for Board of Directors and Senior Management Personnel of the company and copy of the same has been uploaded on the website of the Company <http://www.sofcomsystems.com/>.

I hereby declare that all the Directors and Senior Managerial personnel have affirmed the compliance with the Code of Conduct and have given a confirmation thereto in this regard, in respect of financial year ended 31st March 2020.

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, 2019.

Place: Jaipur
Dated: July 30, 2020

For and on behalf of the Board of Directors

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



SECRETARIAL AUDIT REPORT

Form No. MR-3SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2020

[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, 2020** 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, 2020 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;
[Not applicable as there was no debt securities listed on stock exchange during the financial year under review for secretarial audit]
 - 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
- k) Any other applicable laws

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 except the following:-

S No.	Regulations/ Sections	Provision	Deviation
1.	Regulation 3(5) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015	From April 1, 2019, SEBI requires all listed companies to maintain a non-tamperable 'Structured Digital Database' to keep track of all unpublished price sensitive information (UPSI) and the trading activities of Designated Persons (DPs), who become aware of the UPSI.	The company has not maintain any such digital database during the year and thus not complied with the above regulation.
2.	Section 137 (1) of the Companies Act, 2013	A copy of the financial statement, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this Act, duly adopted at the Annual General Meeting of the company, shall be filed with the Registrar within thirty days of the date of annual general meeting in such manner, with such fees or additional fees as may be prescribed.	The financial statements along with the necessary annexure for the F.Y. ended on 31 st March, 2019 are not filed with the Registrar of Companies 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, 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: August 21, 2020

Place: Jaipur

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

Sd/-

**Mahendra Prakash Khandelwal
(Partner)**

FCS No.: 6266

C P No.: 4459

UDIN:-F006266B000603995

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: August 21, 2020

Place: Jaipur

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

Sd/-

**Mahendra Prakash Khandelwal
(Partner)**

FCS No.: 6266

C P No.: 4459

UDIN:-F006266B000603995



FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
The Members
SOFCOM SYSTEMS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Sofcom Systems Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) specified u/s 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis For Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this para.

Emphasis of Matter

We draw attention to Note 21(10) of the financial statement which describes the extent to which COVID-19 Pandemic impacts the Company's operations and financial results will depend on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

Information other than Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

3 Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e. evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure -A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act ;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of the such controls, refer to our report in Annexure-"B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; 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 except as mentioned in Note no.21(3) of Other notes to accounts.

(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.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, the Company has not paid remuneration to its directors during the year, hence we have nothing to report in this regard; and

Date: July 30, 2020
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 2020, 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) According to the information & explanation given to us and on the basis of our examination of the records, the Company does not have any inventory during the year under audit, hence this clause is not applicable.

(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 2020 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: July 30, 2020
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, 2020 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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: July 30, 2020
Place: Jaipur

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

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

Standalone Balance Sheet

as at March 31, 2020

(Amounts in Lacs)

Particulars	Note No	As at 31 st March 2020	As at 31 st March 2019
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	3	1.15	1.15
(b) Capital work-in-progress		--	--
(c) Other Intangible assets		--	--
(d) Intangible assets under development		--	--
(e) Financial Assets		--	--
(i) Investments	4	510.00	510.13
(ii) Loans	5	5.25	5.33
(iii) Others		--	--
(f) Deferred tax assets (Net)	6	30.43	21.99
(g) Other non-current assets		--	--
Total Non-Current Assets		546.83	538.60
Current Assets			
(a) Inventories		--	--
(b) Financial Assets		--	--
(i) Investments		--	--
(ii) Trade receivables	7	93.07	93.07
(iii) Cash and cash equivalents	8	9.47	2.16
(iv) Bank balances - others		--	--
(v) Loans		--	--
(vi) Others		--	--
(c) Current Tax Assets (Net)		--	--
(d) Other current assets	9	2.11	1.23
Total Current Assets		104.65	96.47
Total Assets		651.48	635.06
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	463.16	463.16
(b) Other Equity	11	(102.98)	(78.81)
Total Equity		360.17	384.34
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities		--	--
(i) Borrowings		--	--
(iii) Other financial liabilities		--	--
(b) Provisions		--	--
(c) Deferred tax liabilities (Net)		--	--

(d) Other non-current liabilities	--	--
Total Non-Current Liabilities	--	--
Current Liabilities		
(a) Financial liabilities	--	--
(i) Borrowings	12	251.73
(ii) Trade payables		
(iii) Other financial liabilities	13	39.47
(b) Other current liabilities	14	0.10
(c) Provisions	--	--
(d) Current Tax Liabilities (Net)	--	--
Total Current Liabilities	291.30	250.73
Total Equity and Liabilities	651.48	635.06

In terms of our 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: July 30, 2020**

For & On behalf of the Board of Directors

**Sd/-
Kishore Mehta
DIN: 00043865
Managing Director**

**Sd/-
Nawaratan Mall Mehta
DIN: 00858126
Director**

**Sd/-
Hari Om Vijay
CFO**

Standalone Profit and Loss Statement

For the year ended March 31, 2020

(Amounts in Lacs)

Particulars	Note No	For the year ended on 31 st March 2020	For the year ended on 31 st March 2019
I. REVENUE			
Revenue from Operations	15	--	--
Total Revenue		--	--
<u>II. Expenses:</u>			
Cost of Material Consumed		--	--
Purchase of Stock-In-Trade		--	--
Changes in Inventories of Finished Goods & Stock-in-Trade	16	--	--
Employee Benefit Expenses	17	1.63	1.92
Financial Costs	18	24.10	28.64
Other Expenses	19	6.88	7.52
Depreciation and Amortization expenses	3	--	--
Total Expenses		32.61	38.08
Profit / (Loss) Before Exceptional And Extraordinary Items And Tax		32.61	38.08
Extraordinary/ Exceptional Items		--	--
Profit/(Loss) Before Tax		32.61	38.08
<u>Less: Tax Expenses</u>	20	--	--
Current Tax		--	--
Deferred Tax		(8.44)	(6.20)
Income Tax of Earlier Year w/off		--	--
Net Profit/(Loss) of the year (A)		(24.17)	(31.88)
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)		(24.17)	(31.88)
Earnings Per Equity Share (Par value INR 10/- per share)			
Basic & Diluted Earnings per share		(0.58)	(0.77)

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: July 30, 2020**

For & On behalf of the Board of Directors

**Sd/-
Kishore Mehta
DIN: 00043865
Managing Director**

**Sd/-
Nawaratan Mall Mehta
DIN: 00858126
Director**

**Sd/-
Hari Om Vijay
CFO**

Cash Flow Statement

For the year ended March 31, 2020

(Amounts in Lacs)

Particulars	Year ended on 31.03.2020	Year ended on 31.03.2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax & Extraordinary Items	(32.61)	(38.08)
Add/(Deduct)		
Interest Expenses	24.10	28.64
Investment written off	0.13	--
Depreciation	--	--
Operating Profit Before Working Capital Changes	(8.38)	(9.44)
Add/(Deduct)		
Inventories	--	--
Sundry Debtors	--	17.00
Loans and Advances	(0.80)	(0.86)
Trade Payables	--	--
Current Liabilities	16.89	(8.75)
Cash Generated From Operations	7.70	(2.05)
Less: Income Tax Paid and TDS deducted (Net of Refund)	--	--
Net Cash Flow From Operating Activities	7.70	(2.05)
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		
Interest Expenses	(24.10)	(28.64)
Proceed From Borrowing	23.70	28.67
Net Cash in the Course of Financing Activities	(0.40)	0.02
Net Changes in Cash and Cash Equivalents(A+B+C)	7.30	(2.03)
Cash and Cash Equivalents As at 1 st April, 2019 (Opening Balance)	2.16	4.20
Cash and Cash Equivalents As at 31 st March, 2020 (Closing Balance)	9.47	2.16

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: July 30, 2020**

For & On behalf of the Board of Directors

**Sd/-
Kishore Mehta
DIN: 00043865
Managing Director**

**Sd/-
Nawaratan Mall Mehta
DIN: 00858126
Director**

**Sd/-
Hari Om Vijay
CFO**

Statement of Changes in Equity

For the year ended March 31, 2020

A. Equity Share Capital

Financial Year 2019-20		(Amount in Lacs)
Balance as at April 01, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
463.16	Nil	463.16

Financial Year 2018-19		(Amount in Lacs)
Balance as at April 01, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
463.16	Nil	463.16

B. Other Equity						(Amount in Lacs)
Particulars	Reserves and Surplus		Other Income (Re-measurement of defined obligation)	Comprehensive of benefit	Total Equity	Other
	Capital Reserve	Retained Earnings				
Opening balance as at April 01, 2019	-	(78.81)	-	-	(78.81)	
Changes in equity during the year						
Profit for the period	-	(24.17)	-	-	(24.17)	
Closing balance as at March 31, 2020	-	(102.98)	-	-	(102.98)	

Particulars	Reserves and Surplus		Other Income (Re-measurement of defined obligation)	Comprehensive of benefit	Total Equity	Other
	Capital Reserve	Retained Earnings				
Opening balance as at April 01, 2018	-	(46.93)	-	-	(46.93)	
Changes in equity during the year	-	-	-	-	-	
Profit for the period	-	(31.88)	-	-	(31.88)	
Closing balance as at March 31, 2019	-	(78.81)	-	-	(78.81)	

Notes on accounts forming part of the Ind AS financial statements as at and for the year ended 31.03.2020

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. Sofcom Systems 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

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules as amended from time to time..

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.

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, 2020 were approved by the Board of Directors and authorized for issue on July 30, 2020.

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

The Company derives revenues primarily from sale of software and consultancy. The Company has adopted Ind AS 115 "Revenue from contracts with customers".

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits as the Company performs; or
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

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 it would have an enforceable right to demand or retain payment for performance completed or control transferred on the goods to date.

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

Effective April 01, 2019, the Company has adopted Ind AS 116- 'Leases'. The Company has used modified retrospective approach for transitioning to Ind AS 116 with right of use assets recognized at an amount equal to the lease liability adjusted for any prepayment/ accrual recognized in the balance sheet immediately before the initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been adjusted. The adoption of Ind AS 116 did not have any material impact on the financial statements for year ended March 31, 2020.

While applying Ind AS 116, the Company used practical expedient for accounting of operating leases as short term leases for those leases with remaining non cancellable period of less than 12 months as at April 01, 2019.

At the commencement of a lease, the Company recognises a right of use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a non cancellable period of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as

an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined otherwise incremental borrowing rate is used to discount the lease payments.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, less lease payments made.

The right-of-use asset measured at inception at the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right of use assets is subsequently measured at cost less any accumulated amortization, accumulated impairment losses, if any. Right-of-use assets are amortized on straight line basis over the shorter period of lease term and useful life of the underlying asset.

The right of use assets is presented separately on the face of the Balance sheet as 'Right of Use Assets' and lease liability is presented within 'other financial liabilities' classified as current and non-current.

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.

Effective April 01, 2018, the Company has adopted Appendix B to Ind AS 21 - "Foreign Currency Transactions and Advance Consideration" which clarifies the date of 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 effect on account of adoption of this amendment was insignificant.

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.

There is an amendment to Ind AS 23 - Borrowing Cost which clarifies that borrowing cost applicable to borrowing made specifically for the purpose of obtaining a qualifying asset shall be excluded while determining general capitalization rate only till substantially all the activities necessary to prepare that specific asset for its intended use are completed. This amendment does not have material impact on the Company.

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 Investment in Subsidiaries, Joint Ventures and Associates

Investment in Subsidiary, Joint Ventures and Associates are measured at cost only as per Ind AS 27 - Separate Financial Statements.

2.24 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

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, 2020:-

(Amount in Lacs)										
S. No.	Particulars	Gross Carrying Value				Depreciation		Net Carrying Value		
		Balance As at 01.04.2019	Addition	Deletion	Balance As at 31.03.2020	As at 01.4.2019	For the Year	Upto As at 31.03.2020	Balance As at 31.03.2020	Balance As at 31.03.2019
A	<u>Tangible Assets</u>									
1	Computer Equipment	15.28	-	-	15.28	14.52	-	14.52	0.76	0.76
2	Office Equipment	0.65	-	-	0.65	0.61	-	0.61	0.03	0.03
3	Furniture & Fixtures	0.84	-	-	0.84	0.80	-	0.80	0.04	0.04
4	Motor Car	6.19	-	-	6.19	5.88	-	5.88	0.31	0.31
	Total	22.96	-	-	22.96	21.81	-	21.81	1.15	1.15
	Previous Year	22.96	-	-	22.96	21.81	-	21.81	1.15	1.15

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, 2019:

(Amount in Lacs)										
S. No.	Particulars	Gross Carrying Value			Depreciation			Net Carrying Value		
		Balance As at 01.04.2018	Addition	Deletion	Balance As at 31.03.2019	As at 01.4.2018	For the Year	Upto As at 31.03.2019	Balance As at 31.03.2019	Balance As at 31.03.2018
A	<u>Tangible Assets</u>									
1	Computer Equipment	15.28	-	-	15.28	14.52	-	14.52	0.76	0.76
2	Office Equipment	0.65	-	-	0.65	0.61	-	0.61	0.03	0.03
3	Furniture & Fixtures	0.84	-	-	0.84	0.80	-	0.80	0.04	0.04
4	Motor Car	6.19	-	-	6.19	5.88	-	5.88	0.31	0.31
	Total	22.96	-	-	22.96	21.81	-	21.81	1.15	1.15
	Previous Year	22.96	-	-	22.96	21.81	-	21.81	1.15	1.15

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

NOTE '4' : FINANCIAL ASSETS : INVESTMENTS:

Particulars	As at 31.03.2020 Amount (in Lacs.)	As at 31.03.2019 Amount (in Lacs.)
Non-current investments		
Unquoted, carried at amortized cost		
<u>Investment in equity instruments (Fully Paid Up)</u>		
1000 (Previous Year: 1000) equity shares of INR.10/- each Vaishali Urban Co-operative Bank Limited	-	0.10
146686 (Previous Year: 146686) equity shares of INR.100/- each Abok Spring Pvt Ltd , Associate Concern	510.00	510.00
<u>Government Security</u>		
National Saving Certificate(Pledged with Sales Tax Department)	-	0.03
TOTAL	510.00	510.13
Aggregate amount of quoted investments		
Market value of quoted investments		
Aggregate amount of unquoted investments	510.00	510.13
Aggregate amount of impairment in value of investments		

NOTE '5' : FINANCIAL ASSETS : LOANS:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Non current		
Unsecured, Considered good		
Security Deposit	5.25	5.33
TOTAL	5.25	5.33

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

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
(a) Deferred Tax Assets		
Carried Forward Losses	30.64	22.18
(b) Deferred Tax Liability		
Difference in Value of Fixed Assets as Per Books and Income Tax records	(0.21)	(0.19)
TOTAL	30.43	21.99

NOTE '7': TRADE RECEIVABLES:

Particulars	As at 31.03.2020 Amount (in Lacs.)	As at 31.03.2019 Amount (in Lacs.)
<u>Current</u>		
Unsecured, considered good	93.07	93.07
TOTAL	93.07	93.07

NOTE '8' : CASH AND CASH EQUIVALENTS:

Particulars	As at 31.03.2020 Amount (in Lacs.)	As at 31.03.2019 Amount (in Lacs.)
Cash in hand (As Certified by the Management)	9.46	2.16
Balance with Banks:		
In Current Accounts(Kotak Mahindra Bank)	0.01	0.01
TOTAL	9.47	2.16

NOTE '9' : OTHER CURRENT ASSETS

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Advance to Suppliers	-	0.06
Advance with Revenue Authorities	2.11	1.17
TOTAL	2.11	1.23

NOTE '10' : SHARE CAPITAL:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Authorised Capital		
65,00,000 (Previous year : 65,00,000)Equity Shares of INR.10/- each	650.00	650.00
	650.00	650.00

Issued, Subscribed And Fully Paid-Up Capital		
41,55,000 Equity Shares of INR 10/- each fully paid up (Previous year : 41,55,000 Equity Shares each fully paid up)	415.50	415.50
TOTAL	415.50	415.50
Forfeited Shares		
18,97,000 (Previous year : 18,97,000) Equity Shares @ INR. 2.50/-	47.66	47.66
TOTAL	463.16	463.16

Notes:

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

Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
	%	No.of Shares	%	No.of Shares
Shri Kishore Mehta	66.38	2758000	66.38	2758000
Smt. Asha Mehta	6.22	258600	6.22	258600
Total	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 31.03.2020	As at 31.03.2019
Equity shares outstanding at the beginning of the year	4155000	4155000
<u>Add: Equity shares issued during the year</u>	-	-
<u>Less: Equity shares Forfeited during the year</u>	-	-
Equity shares outstanding at the end of the year	4155000	4155000

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

The company has only one class of equity shares having a par value of INR 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 '11' : OTHER EQUITY:

Particulars	As at	As at
	31.03.2020	31.03.2019
	Amount	Amount
	(in Lacs)	(in Lacs)
(a) Retained Earnings		
Surplus : Statement of Profit & Loss		
Balance as per last Balance Sheet	(78.81)	(46.93)
Add: Net Profit/(Loss) for the current year	(24.17)	(31.88)
Less: Appropriations		
Total Retained Earnings	(102.98)	(78.81)

(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	(102.98)	(78.81)

NOTE '12' : BORROWINGS:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Current		
Secured		
Loans from Banks repayable on demand		
State Bank of India - Bank overdraft	121.84	161.59
Unsecured		
Intercorporate Loan from Related Party		
M/s Abok Spring Private Limited	129.89	66.45
TOTAL	251.73	228.03

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. Working Capital loan carries interest rate of 1.75% above Base Rate (BR).

The Intercorporate loan taken from associated entity is repayable on demand.

NOTE '13' : OTHER FINANCIAL LIABILITIES:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Current		
Outstanding Expenses	2.59	0.98
Overdraft in Current Account	-	-
Others Liabilities Payable	36.88	21.50
TOTAL	39.47	22.47

NOTE '14' : OTHER CURRENT LIABILITIES:

Particulars	As at 31.03.2020	As at 31.03.2019

	Amount (in Lacs)	Amount (in Lacs)
Statutory Liabilities	0.10	0.21
TOTAL	0.10	0.21

NOTE '15' : OTHER INCOME:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Misc. income	--	-
TOTAL	--	-

NOTE '16' : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Opening Stock	--	--
Less: Closing Stock	--	--
TOTAL	--	--

NOTE '17' : EMPLOYEE BENEFIT COST:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Salary	1.63	1.92
TOTAL	1.63	1.92

NOTE '18' : FINANCE COSTS:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Interest to Bank	24.10	28.64
TOTAL	24.10	28.64

NOTE '19' : OTHER EXPENSES:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
-------------	--	--

Payment to Auditor		
- Audit Fee	1.00	0.50
- Taxation Matters	-	0.10
- Other Services	-	0.63
Fees & Subscription	3.36	2.86
Legal & Professional Expenses	1.12	1.55
Office Rent	1.20	1.20
Bank Commission & Charges	0.06	0.04
Miss. Expenses	(0.56)	0.12
Printing & Stationery	-	0.00
Advertisement Expenses	0.56	0.35
Internet Expenses	0.02	-
GST Penalty	0.01	-
Income Tax Expenses	0.00	-
TDS Penalty	0.12	0.18
TOTAL	6.88	7.52

NOTE '20' : TAX EXPENSES:

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
(a) Current Tax		
(b) Deferred Tax		
As at the beginning of the year		
Deferred Tax Assets	22.18	15.94
Deferred Tax Liabilities	(0.19)	(0.15)
Net Deferred Tax Assets / (Liabilities)	21.99	15.79
<u>As at the end of the year</u>		
Deferred Tax Assets	30.64	22.18
Deferred Tax Liabilities	(0.21)	(0.19)
Net Deferred Tax Assets / (Liabilities)	30.43	21.99
Deferred Tax charge for the year		
Deferred Tax charged to Statement of Profit & Loss	(8.44)	(6.20)
Deferred Tax charged to Other Comprehensive Income	--	--
(c) Tax in respect of earlier years	(0.00)	--
(d) Reconciliation of Tax expenses as per Statement of Profit & Loss with expected Tax expenses on accounting profit		
Profit before income taxes	(32.61)	(38.08)
Enacted tax rate in India	26.00%	26.00%
Computed expected tax expenses	(8.00)	(10.00)
Effect of Allowances / Non deductible expenses	(0.44)	3.80
Tax expense recognised in Statement of Profit and Loss	(8.44)	(6.20)

NOTE '21': OTHER NOTES ON ACCOUNTS

1. Leases

The Company does not have any lease with non cancellable period of more than 12 months, hence the Company is not required to recognise "Right of Use Assets" and "Lease Liabilities". In case of short term leases, the Company has booked the lease payments as "Office Rent" under Other Expenses in the Statement of Profit or Loss.

2. Earning Per Share

Particulars	As at 31.03.2020 Amount (in Lacs)	As at 31.03.2019 Amount (in Lacs)
Profit/(Loss) after tax as per Profit & Loss A/c	(24.17)	(31.88)
Weighted Average number of Equity Shares outstanding (Nos.)	41.55	41.55
Basic and Diluted Earning per share (INR)	(0.58)	(0.77)
Face value of shares (INR)	10.00	10.00

3. Contingent Liabilities

Particulars	Amount(In Lacs)	
	31.03.2020	31.03.2019
In respect of Demand raised by the Income tax authorities for A.Y.2015-16 against which the company has filed the Appeal with the Appellate Authorities However company has deposited Rs. 24,000/- towards demand.	NIL	1.20
In respect of Demand raised by the Income tax authorities for A.Y.2016-17 against which the company has filed the Appeal with the Appellate Authorities.	NIL	2.10

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.

Amount(In Lacs)

Particulars	31.03.2020	31.03.2019
Cash and Cash Equivalents	9.47	2.16
Other Bank Balances	-	-
Current Investments	-	-
Total Cash (a)	9.47	2.16
Non Current Borrowings	-	-
Current Borrowings	251.73	228.03
Current Maturity of Long Term Borrowings	-	-
Total Borrowings (b)	251.73	228.03
Net Debts (c=b-a)	242.26	225.87
Total Equity	360.17	384.34
Total Equity and Net Debts	602.44	610.21
Gearing ratio	40.21%	37.01%

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 summarised 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, 2020 and March 31, 2019.

The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

Particulars	As at 31.03.2020 Amount (In Lacs))	As at 31.03.2019 Amount (In Lacs))
Variable rate borrowings	121.84	161.59
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.

Particulars	Impact on Profit	
	As at 31.03.2020 Amount (In Lacs).)	As at 31.03.2019 Amount (In Lacs)
Interest rate - decrease by 50 basis point	0.61	0.81
Interest rate - increase by 50 basis point	(0.61)	(0.81)

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:

Particulars	As at 31.03.2020 Amount (In Lacs)	As at 31.03.2019 Amount (In Lacs)
Upto 180 days	--	--
above 180 days	93.07	93.07
TOTAL	93.07	93.07

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 21(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.

Amount(In Lacs)

Particulars	As at 31.03.2020			
	< 1 year	1-5 years	>5 years	Total
Borrowings	251.73	--	--	251.73
Trade Payables	--	--	--	--
Other liabilities	39.47	--	--	39.47
Total	291.20	--	--	291.20

Particulars	As at 31.03.2019			
	< 1 year	1-5 years	>5 years	Total
Borrowings	228.03	--	--	228.03
Trade Payables	--	--	--	--
Other liabilities	22.47	--	--	22.47
Total	250.51	--	--	250.51

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

Particulars	As at 31.03.2020 Amount (In Lacs)	As at 31.03.2019 Amount (In Lacs)
Secured Bank Cash credit Facility (Sanctioned Amount)	190.61	190.61
Amount Used	121.84	161.59
Amount Unused	68.76	29.02

6. Fair Value Measurement

Amount(In Lacs)

Particulars	As at 31.03.2020				
	FVTOCI	FVTPL	Amortised cost	Carrying value	Fair Value
Financial Assets					
(i) Investments					
Equity Instruments	-	-	510.00	510.00	510.00
Government security	-	-	-	-	-

(ii) Trade receivables	-	-	93.07	93.07	93.07
(iii) Loans	-	-	5.25	5.25	5.25
(iv) Others	-	-	-	-	-
(v) Bank balance - others	-	-	-	-	-
(vi) Cash & cash equivalents	-	-	9.47	9.47	9.47
Total			- 617.79	617.79	617.79
Financial Liabilities					
(i) Borrowings	-	-	251.73	251.73	251.73
(ii) Trade payables	-	-	-	-	-
(iii) Other financial liabilities	-	-	39.47	39.47	39.47
Total			291.20	291.20	291.20

Particulars	As at 31.03.2019				
	FVTOCI	FVTPL	Amortised cost	Carrying value	Fair Value
Financial Assets					
(i) Investments					
Equity Instruments	-	-	510.10	510.10	510.10
Government security	-	-	0.03	0.03	0.03
(ii) Trade receivables	-	-	93.07	93.07	93.07
(iii) Loans	-	-	5.33	5.33	5.33
(iv) Others	-	-	-	-	-
(v) Bank balance - others	-	-	-	-	-
(vi) Cash & cash equivalents	-	-	2.16	2.16	2.16
Total			610.70	610.70	610.70
Financial Liabilities					
(i) Borrowings	-	-	228.03	228.03	228.03
(ii) Trade payables	-	-	-	-	-
(iii) Other financial liabilities	-	-	22.47	22.47	22.47
Total			23066727	23066727	23066727

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:-

Amount(In Lacs)

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
	31.03.2020		31.03.2019	
<u>Rent Paid:</u>				
Shri Kishore Mehta	1.20	-	1.20	-
<u>Reimbursement of Expenses:</u>				
Shri Kishore Mehta	17.27	-	0.80	-
<u>Loans Taken:</u>				
Abok Spring Pvt. Ltd.	-	63.44	-	66.45
<u>Payables:</u>				
Shri Kishore Mehta	32.07	-	14.80	-
Abok Spring Pvt. Ltd.	-	129.89	-	66.45
<u>Receivable:</u>				
Shri Kishore Mehta - Rent Deposit	5.25	-	5.25	-

Investments:

Abok Spring Pvt. Ltd.	-	510.00	-	510.00
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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 World Health Organization (WHO) declared outbreak of Corona virus Disease (COVID-19) a global Pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in compliance with the lockdown instructions issued by the Central and State Governments. The Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of all its assets. Based on current indicators of future economic conditions and considering the various measures announced by the government to support businesses, the Company expects to fully recover the carrying amount of these assets. The potential future impact of the COVID-19 may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes in future economic conditions and assess the impact on its business.

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

12. In the opinion of management, loans & advances and investments are approximately of the value stated, if realized 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.

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

CFO

For & On behalf of the Board of Directors

Sd/-
KISHORE MEHTA
DIN: 00043865
Managing Director

Sd/-
NAWARATAN MALL MEHTA
DIN: 00858126
Director

Sd/-
HARI OM VIJAY

2019-2020

**SOFCOM
SYSTEMS
LIMITED**

**NOTICE OF
ANNUAL GENERAL
MEETING**



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



NOTICE of 25th ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of Sofcom Systems Limited will be held on Saturday, 26th September, 2020 at 03.00 P.M. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2020, including the Audited Balance Sheet as at 31st March, 2020, 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.

Date: September 01, 2020

Place: Jaipur

**By Order of the Board
For SOFCOM SYSTEMS LIMITED**

CIN: L72200RJ1995PLC010192

Sd/-

**Vandana Kanwar
(Company Secretary)**

NOTES:

1. In view of the continuing COVID-19 pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs ("MCA") vide its Circular dated 5 May 2020 read with Circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 have permitted the holding of the Annual General Meeting ("AGM") through Video Conference/Other Audio Visual Means, without the physical presence of the Members at a common venue.
Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 25th AGM of the Company shall be conducted through VC / OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporate are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sofcomsystems.com/investor. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization shall be sent to the Company at sofcomsystemsLtd@gmail.com, Registrar and Share Transfer Agent at evoting@sharexindia.com with a copy marked to evoting@nsdl.co.in.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from Sunday, 20th September, 2020 to Saturday, 26th September, 2020 (both days inclusive).
10. In compliance with MCA Circular No. 20/2020 dated 5 May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for FY 2019-20 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
11. 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").
12. 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.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.

18. 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.
19. 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.
20. **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 25th 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 as well as voting at the time of AGM.
 - 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 19th September, 2020 only shall be entitled to avail the facility of Remote e-voting as well as voting at the time of AGM.
 - 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 23rd September, 2020 (9:00 A.M.) and ends on (5:00 P.M.) 25th September, 2020. 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 19th September, 2020, 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 19th September, 2020.
 - H. Members holding shares in dematerialized form as on the cut-off date or record date i.e. 19th September, 2020 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 instructions for remote e-voting are as under:

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.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (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.
- 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 at the AGM in a fair and transparent manner.
 - J. 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 or any other person Authorized by him in writing, who shall countersign the same. The Chairman or the authorized Director shall declare the result of the voting forthwith.

- K. 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

General Guidelines for shareholders:

- 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.
- 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.
- 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.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of Pan card), Aadhar (self attested scanned copy of Aadhar Card) by email to sofcomsystemsltd@gmail.com.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, Pan (self attested scanned copy of Pan card), Aadhar (self attested scanned copy of Aadhar Card) to sofcomsystemsltd@gmail.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

Instructions For Members For Attending The AGM Through VC/OAVM Are As Under:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at sofcomsystemsLtd@gmail.com.
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at sofcomsystemsLtd@gmail.com. The same will be replied by the company suitably.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Date: September 01, 2020
Place: Jaipur

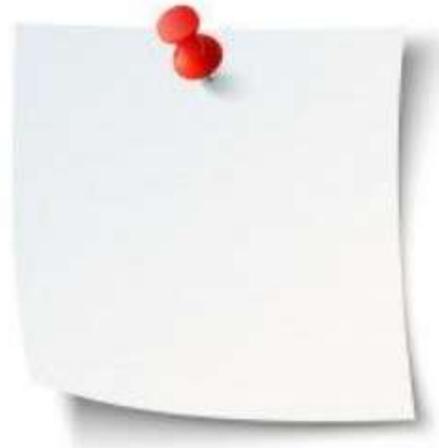
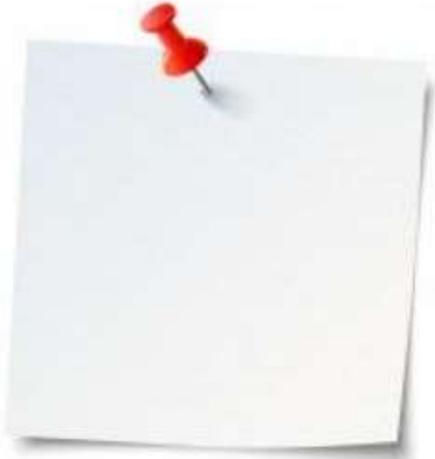
By Order of the Board
For SOFCOM SYSTEMS LIMITED
CIN: L72200RJ1995PLC010192

Sd/-
Vandana Kanwar
(Company Secretary)

Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards respect to Appointment/ Re-appointment of Directors

Name of Director	Mrs. Asha Mehta
Category	Non-Executive Non-Independent Director
DIN	00043841
Date of Birth	01/10/1966
Qualifications	Graduate
Nature of Expertise/Experience	She is having expertise in the field of management
First appointment on the Board	19/03/2014
Terms & Conditions of Appointment/ re-appointment	Appointment as a Non-Executive Director subject to retirement by rotation
No. of shares held in company as at March 31, 2020	258600
Relationship with other Directors/ Manager/KMP	Kishore Mehta: Husband Nawratan Mall Mehta: Brother-in-law
No. of board meetings attended during the year	9 (Nine)
Directorship details	Listed Companies: Sofcom Systems Limited
Committee Positions	Audit committee: Sofcom Systems Limited Nomination & Remuneration Committee: Sofcom Systems Limited Stakeholders Relationship Committee: Sofcom Systems Limited

NOTES



THANKYOU