

# Annual Report 2014-15

**Sophia Finance limited**

**For Sophia Traexpo Limited**



**Wholetime, Director**

## Sophia Finance limited

### NOTICE

Notice is hereby given that the **32<sup>nd</sup> Annual General Meeting of the Members of 'Sophia Finance Limited'** will be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 10.00 a.m at B-63, Ground Floor, B K Dutt Colony, New Delhi, Delhi- 110047, to transact the following business

#### **ORDINARY BUSINESS:**

1. To consider and adopt the audited Financial Statements of the Company for the year 2014-15 together with the Report of the Board of Directors and Auditors thereon;
2. To appoint auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of fifth consecutive Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT, pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, Messers **Nekkanti Srinivasu & Co.**, Chartered Accountants, having registration No. 008801S allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors Messers **B. Srinivasa Rao & Co.**, Chartered Accountants, having registration No. 205449 allotted by ICAI, who shall hold office from the conclusion of this 32<sup>nd</sup> Annual General Meeting for term of consecutive five years till conclusion of the 37<sup>th</sup> Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

#### **SPECIAL BUSINESS:**

- 3 . **Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013**

**To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

“ **RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 readwith Companies (Incorporation ) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“ **RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. Appointment of **Vishnu Mohan Choudhary (DIN-00781016)**, as Director

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED that Mr. Vishnu Mohan Choudhary (holding DIN 00781016), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 24<sup>TH</sup> October, 2014, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

5. Appointment of **Venkata Vinod Kumar Valipireddy** as Director (DIN- 03642809).

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED that Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 20<sup>th</sup> August, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

6. **Appointment of Mr. Venkata Vinod Kumar Valipireddy as Whole Time Director and Chief Financial Officer of the Company** (DIN- 03642809).

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (“Companies Act”) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and, consent of the Members be and is hereby accorded to the appointment of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809) as a Whole Time Director designated as the Chief Financial officer of the company, for a period of 3 years with the effect from 20<sup>th</sup> August, 2015 remuneration with further liberty to the Board of Directors of the Company from time to time to alter the said terms and conditions of appointment and remuneration of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809) in the best interests of the Company and as may be permissible by law. The remuneration and such other terms and conditions as set out in the Explanatory Statement annexed hereto.”

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“RESOLVED FURTHER THAT where in any financial year, during the tenure of Mr. Venkata Vinod Kumar Valipireddy the Company incurs Loss or its profits are inadequate, the Company shall pay to Mr. Venkata Vinod Kumar Valipireddy, the above remuneration by way of salary and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration”.

**7. Appointment of Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) as Women independent director of the company.**

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made there-under (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. **Lakshmi Nekkanti Satyasri (DIN 07223878)**, who was appointed as an Additional Director of the Company and whose term of office expires at this Annual General Meeting and who has offered herself for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from the ensuing Annual General Meeting.”

**8. Appointment of Mr. Srinivasa Rao Bolla (DIN 06786590) as independent director of the company.**

To consider and if, thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made there-under (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Srinivasa Rao Bolla (**DIN 06786590**), who was appointed as an Additional Director of the Company and whose term of office expires at this Annual General Meeting and who has offered herself for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from the ensuing Annual General Meeting.”

Date: 02<sup>nd</sup> September, 2015  
Place: Hyderabad,

**By Order of the Board**

**Sd/-  
Chairperson of the Company & Whole Time Director  
Venkata Vinod Kumar Valipireddy (DIN- 03642809)**

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- 1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. The instrument of proxy in order to be effective, must be received at the Registered Office of the Company, duly completed and signed not less than forty-eight hours before the commencement of the Annual General Meeting.**
- 2. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 23<sup>rd</sup> September 2015 to Wednesday, 30<sup>th</sup> September 2015 (both days inclusive).**
3. Explanatory Statement setting out to the Notice of the Meeting.
4. Corporate members are requested to send, a duly certified copy of the board resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
5. Members holding shares in physical form should inform the Company's Registrar and Transfer Agents, **M/s. Venture Capital And Corporate Investments Private Limited (VCCIPL)** of any change in their registered address, e-mail address. Similarly, Members holding shares in electronic form should inform their Depository Participants (DP) of any change in their registered address, e-mail address.
6. Members who have multiple folios in identical names or joint names in the same order are requested to intimate to the Registrar and Transfer Agents, M/s. VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED (VCCIPL) about these folios to enable consolidation of all such shareholdings into one folio.
7. For the convenience of Members and for proper conduct of the meeting, entry to the venue of the Meeting will be regulated by Attendance Slip, which is enclosed with this notice. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the entrance to the venue.
8. The Company has designated an exclusive e-mail ID called [sophiafinancelimited@gmail.com](mailto:sophiafinancelimited@gmail.com) for Redressal of shareholders' complaints/grievances.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
10. The documents referred to in this notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 10.00 a.m. and 03.00 p.m. up to the date of Annual General Meeting.
11. The Ministry of Corporate Affairs (MCA), Govt. of India has taken a Green Initiative by allowing paperless compliance by the Companies and has permitted Companies to issue copies of Annual Report by e-mail to the Shareholders. The Listing Agreement with the Stock Exchanges requires the Company to send soft copies of the Annual Report and Accounts to those Members who have registered their e-mail addresses for the purpose. The Members can register their e-mail addresses with the Registrar and Transfer Agent of the Company. The registration by the Members will contribute towards furtherance of the "Green Initiative in Corporate Governance" announced by MCA.

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12. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Ltd. (CDSL).
13. The Company has appointed Mrs. N. Vanitha (ACS No.26859, CP No.10573), Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will scrutinize the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of e-voting period, submit her report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed at the AGM proceedings.

### **Instructions for E-voting:**

#### **Members receiving electronic copy and/or a physical copy of the Annual Report:**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 32<sup>nd</sup> Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 23rd September, 2015 (cut-off date), are entitled to vote on the resolutions set forth in this Notice

The e-voting period will commence on Sunday, September 27, 2015 from 09.00 and will end on Tuesday 29 September, 2015 at 17.00 during this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

### **PROCEDURE FOR E-VOTING:**

Instructions for members for voting electronically are as under:

- A. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Registrars)
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on "Shareholders" tab.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID
    - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.  
If you are a first time user, follow the steps given below for the password:

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	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha -numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Date of Birth	Enter the Date of Birth (DOB) as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Company, i.e., Sophia Finance Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
  - (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xvii) Note for Non – Individual Shareholders and Custodians.\
    - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
    - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
    - c. After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
    - d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- A. In case of members receiving the physical copy of notice of 32<sup>nd</sup> Annual General Meeting (for members whose e-mail ids are not registered with the Company/Depositories):
- i. Please follow all the steps from S.No.(i) to S.No. (xvii) to cast vote
- B. General Instructions:**
- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 23rd September, 2015.
  - ii. Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical poll will be treated as invalid.



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- iii. Members who do not have access to e-voting facility have been additionally provided the facility through Ballot Form. They may send duly completed Ballot Form to the Scrutinizer, Mrs. N. Vanitha at the Registered Office of the Company so as to reach on or before the conclusion of the 28th Annual General Meeting or can carry the same to the AGM and deposit in the Ballot Box during the Meeting. Members have the option [sophiafinancelimited@gmail.com](mailto:sophiafinancelimited@gmail.com) request for physical copy of Ballot Form by sending an e-mail to by mentioning their Folio No. / DP ID and Client ID.
- iv. The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
- v. The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
- vi. The Scrutinizer, after scrutinising the votes cast at the meeting through poll and through e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results shall simultaneously be communicated to the Stock Exchanges.
- vii. The result of the voting on the Resolutions at the Meeting will be announced by the Chairman or any other person authorized by him within three days of the AGM

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### EXPLANATORY STATEMENT (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

#### Item No.3:

The Articles of Association (“AoA”) of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the present Companies Act, 2013.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares. The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3

#### Item No.4:

In accordance with the provisions of Section 152 of the Companies Act, 2013, appointment of Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Vishnu Mohan Choudhary (holding DIN 00781016), be appointed as Director on the Board, whose office is liable to retire by rotation.

The appointment of Mr. Vishnu Mohan Choudhary (holding DIN 00781016), shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Vishnu Mohan Choudhary (holding DIN 00781016), for the office of Director of the Company. Mr. Vishnu Mohan Choudhary (holding DIN 00781016), is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

#### Item No.5:

In accordance with the provisions of Section 152 of the Companies Act, 2013, appointment of Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), be appointed as Director on the Board, whose office is liable to retire by rotation.

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The appointment of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), for the office of Director of the Company. Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

### **Item No.6:**

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), was appointed as an Additional Director on the Board of the Company with effect from 20<sup>th</sup> August, 2015 to hold office up to the date of the ensuing Annual General Meeting. He was also appointed as the Whole Time Director of the Company with effect from 20<sup>th</sup> August, 2015, subject to the approval of the Members.

Further, to align the goals of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), with the vision of the Company, based on the recommendation of the Nomination and Remuneration Committee, the Board has re-designated Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), Whole Time Director and CFO with effect from 20<sup>th</sup> August, 2015

### **The terms and conditions of appointment are as follows:**

**Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809)**, will perform such duties as shall from time to time be entrusted to him by the Board of Directors of subject to superintendence, guidance and control of the Board of Directors

Salary Payable: Rs20,000 per month.

Reimbursement of Expense: The Whole time Director shall be entitled for reimbursement of payments made for official purpose / for enhancement of Company's business and such reimbursement shall not form part of remuneration for the purpose of ceilings, wherever is applicable.

Other details of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), are provided at **Annexure-A** of this notice:

The statement containing information as required under Section II of Part II of Schedule V of the Companies Act, 2013, to the extent applicable, is given here under:

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### General Information:

Nature of Industry - **To carry on the business of buying, selling, reselling, exporting and trading of all kinds of goods finished, semi-finished, raw material items, articles, merchandise, products such as granites, marbles, manufactured stones/ marbles, agricultural products.**

Date of Commencement of Commercial Production – 27/04/1983.

In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – N.A

Financial Performance based on given indicators – the operating revenue of the Company for the year 2014-15 is **Rs104,280** against **Rs250,000** for the year 2013-14. The net profit/Loss for the year 2014-15 is **Rs 8962** against **Rs. 1439** in the year 2013-14.

Foreign Investments or Collaborators, if any- NIL

### Information about the appointee:

#### 1. Background details

Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), is a highly accomplished technology professional with many years of progressive experience with core competencies in Enterprise building, Mergers & Acquisition, Global organizational restructuring and transformation/change management, business process re-engineering, and is a mentor.

**2. Past remuneration** – NIL

**3. Recognition or awards** – NIL

#### 4. Job profile and his suitability

Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), is entrusted with substantial powers of the management of the Company subject to the superintendence, control and direction of the Board of Directors, the provisions of Memorandum and Articles of Association, regulations made by the Company in Annual General Meeting and the restrictions imposed by the Companies Act, 2013, and shall do all in his power to promote, develop and extend the business of the Company.

His experience of the past years will help the company to grow and prosper. He is well suited as he is not only experienced but he is also well versed of entire operations of the Company. The challenging business environment requires review of operations, monitoring and decision making on day-to-day basis besides strategic guidance and advice ongoing basis for modernization, technological up-gradation and expansion/diversification activities in which the Company would be immensely benefited by his matured and timely advice.

#### 5. Remuneration proposed -

Please refer to details given in Annexure II to the Board's report.

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### **6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person**

The executive remuneration in the industry is on the rise. The Remuneration Committee constituted by the Board perused remuneration of managerial personnel in the software industry and other companies comparable with the size of the Company, industry benchmark in general, and accorded due cognizance to all these factors before approving the remuneration as proposed hereinabove. Considering professional qualifications, background, experience and competence of Mr. Venkata Vinod Kumar Valipireddy (DIN-03642809), and the responsibility shouldered by him, the terms of remuneration are considered to be fair, just and reasonable.

### **7. Pecuniary relationship directly or indirectly with the company, or Relationship with the managerial personnel, if any – NA**

#### **Other information:**

#### **Reasons of loss or inadequate profits**

The Company is planning for diversifying its activities hence did not carry out any activity under the present objects of the Company hence, there is no revenue generated from operations.

#### **Steps taken or proposed to be taken for improvement**

The Company has initiated several steps for restoring profitability by new products offerings and concentrating more on export market for which the necessary platform and credentials have already been established. The Company is trying to diversify into more profitable verticals.

#### **Expected increase in productivity and profits in measurable terms –**

Keeping in view the professional qualifications, rich & varied experience and managerial skills of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), the Board of Directors recommends the passing of the proposed resolution as a Special Resolution in compliance with the applicable provisions of the Companies Act, 2013.

This explanatory statement together with the accompanying Notice is to be treated as an abstract of the terms of the contract / Agreement and Memorandum of concern or interest between the Company and Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), pursuant to Section 196 of the Companies Act, 2013.

Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the “Act”) along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), as a Director of the Company. In compliance with the provisions of Sections 152, 161, 196, 197 and other applicable provisions of the Act, read with Schedule

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V to the Act, it is now proposed to seek the Shareholders' approval for appointment of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809), as Director, Whole time Director & Chief Finance Officer and a Key Managerial Personnel, who shall liable to retire by rotation in terms of the applicable provisions of the Companies Act, 2013 ("Act") with effect from 20<sup>th</sup> August, 2015, on the terms and conditions as detailed in the resolution.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this Resolution.

### Item No.7:

The Board of Directors has appointed Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) as Additional Director of the Company on the recommendation of Nomination and Remuneration Committee. As per the provisions of Section 161(1) of the Act, Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) holds office as an Additional Director up to the date of this Annual General Meeting of the Company.

Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) given respective declarations to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act. The matter regarding the appointment of Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) as Independent Director was placed before the Nomination and Remuneration Committee, which commends their appointment as Independent Directors In the opinion of the Board, Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878)fulfils the conditions specified in the Act and the Rules made there-under for appointment as an Independent Director and she is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) as Independent Director is now being placed before the Members in the Annual General Meeting for their approval.

In compliance with the provisions of Section 161 of the Act, the appointment of Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) as a Director is now being placed before the Members for their approval.

### Item No.8:

The Board of Directors has appointed Mr. **SRINIVASARAO BOLLA** (DIN 06786590),as Additional Director of the Company on the recommendation of Nomination and Remuneration Committee. As per the provisions of Section 161(1) of the Act, Mr. **SRINIVASARAO BOLLA** (DIN 06786590), holds office as an Additional Director up to the date of this Annual General Meeting of the Company.

Mr. **SRINIVASARAO BOLLA** (DIN 06786590),given respective declarations to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. The matter regarding the appointment of Mr. **SRINIVASARAO BOLLA** (DIN 06786590),as Independent Director was placed before the Nomination and Remuneration Committee, which commends their appointment as Independent Directors

In the opinion of the Board, Mr. **SRINIVASARAO BOLLA** (DIN 06786590),fulfils the conditions specified in the Act and the Rules made there-under for appointment as an Independent Director and he is independent of the management.

## Sophia Finace limited

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Srinivasa Rao Bolla (DIN 06786590), as Independent Director is now being placed before the Members in the Annual General Meeting for their approval.

In compliance with the provisions of Section 161 of the Act, the appointment of Mr. Srinivasa Rao Bolla (DIN 06786590), as a Director is now being placed before the Members for their approval.

### By Order of the Board

Hyderabad,  
02<sup>nd</sup> September 2015,

Sd/-  
Chairperson of the Company & Whole Time Director  
Venkata Vinod Kumar Valipireddy (DIN- 03642809)

### Details of Directors as on Mach 31, 2015 seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on 30<sup>th</sup> September, 2015 (Pursuant to Clause 49(IV)(E) and 49(IV)(G)(i) of the Listing Agreement)

A	Name	Venkata Vinod Kumar Valipireddy	Vishnu Mohan Choudhary
B	<b>Brief Resume</b>		
	i) Age	40Years	55 years
	ii) Qualification	LLB	Post Graduate
	iii) Experience in specific functional area	15 yrs of experience in Administration	He has very well experience in the field of Finance.
	iv) Date of appointment on the Board of the Company	20.08.2015	24/10/2014
C	Names of other companies in which directorship held (as per Section 165 of the Companies Act, 2013):	Raminfo Limited Diligent Industries Limited	1. Athena Security Solutions India Private limited
D	Name(s) of the companies in which committee Membership(s) held	Ram info Limited <i>He is a Chairman of Stakeholders Relationship Committee)</i>	NIL
E	No. of Shares of Rs. 10/- each held by the Director	NIL	NIL
F	Relationship between Directors inter se [as per section 2 (77) of the Companies Act, 2013, read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014]	NA	No relations to any other director

## Sophia Finace limited

### DIRECTORS' REPORT

#### **To the Shareholders,**

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of Sophia Finance Limited (the Company) together with the Audited accounts for the financial year ended 31<sup>st</sup> March 2015.

#### **FINANCIAL RESULTS:**

During the year under review, your Company has recorded a gross total income is **Rs 1,04,280** for the year ended 31.03.2015

#### **OPERATIONS:**

During the financial year 2014-15, your Company revenue from the operations is **1,04,280**.

#### **DIVIDEND:**

The Board of directors does not recommend any dividend for the year ended 31st March 2015.

#### **STATUTORY AUDITORS:**

The Statutory Auditors of the Company, M/s. B. Srinivasa Rao & Co., Chartered Accountants, Registration No. 008801S have expressed their inability to act/continue as such, hence the Audit Committee and Board recommended the appointment of M/s. Nekkanti Srinivasu & Co, Chartered Accountants, as Statutory Auditors of your Company for a period of 5 years i.e till the conclusion of the Sixth Annual General Meeting from this Annual General Meeting, whose appointment is subject to ratification by the members at every Annual General Meeting. In this regard, the Company has received a certificate from the auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Accordingly, the appointment of M/s. Nekkanti Srinivasu & co., Chartered Accountants, as the Statutory Auditors, is being proposed as an Ordinary Resolution.

#### **INTERNAL AUDITOR :**

The board of directors on the recommendation of the audit committee has re-appointed

#### **SECRETARIAL AUDITOR:**

M/s. P.S.Rao& Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules there-under. The secretarial audit report for FY 2014-15, forms part of the Annual Report as **Annexure I** to the Board's report. The Board has appointed M/s. P.S.Rao& Associates, Practicing Company Secretaries, as secretarial auditors of the Company for the financial year 2015-16.

#### **Replies to Qualifications made by Secretarial Auditors:**

**Qualification No.1:** Company has not appointed the Whole Time Company Secretary of the Company as per the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2014-15.

**Reply:** The Board of directors had initiated to appoint Whole Time Company Secretary of the Company and the same is still in process, once we find the desired candidate, we will complete the formalities for the appointment of the same.



## Sophia Finace limited

### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure II” to this report.

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

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an “Annexure-III” to this Report.

### **EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an “Annexure-III” to this Report.

### **DIRECTORS:**

The Board of Directors has appointed Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) as Independent Women director and Mr. Srinivasarao Bolla (DIN 06786590) as independent director who holds office till the ensuing Annual General Meeting. The Board, based on the recommendation of Nomination and Remuneration Committee considered the appointment of Mrs. Lakshmi Nekkanti Satyasri (DIN 07223878) as Independent Women director and Mr. Srinivasarao Bolla (DIN 06786590) subject to approval of shareholders. Accordingly a resolution seeking approval of shareholders for his appointment as an Independent Director for a period of five years is included at **Item No.7 & 8** of the Notice convening the Annual General Meeting.

Pursuant to the recommendation of Nomination and Remuneration Committee and in accordance with the provisions of Sections 197, 198 Section II of Part II of Schedule V, and other applicable provisions, if any, of the Companies Act, 2013, approval of the Company and Shareholders be and is hereby accorded for appointment of Mr. Venkata Vinod Kumar Valipireddy (DIN- 03642809) as Whole Time Director and chief executive officer of the Company for a period of 3 years w.e.f. 20<sup>th</sup> August, 2015.

The Board of Directors has appointed Mr. Vishnu Mohan Choudhary (DIN- 00781016) as Additional Director who holds office till the ensuing Annual General Meeting. The Board, based on the recommendation of Nomination and Remuneration Committee considered the appointment of Mr. **Vishnu Mohan Choudhary (DIN-00781016)** as Director of the Company liable to retired by rotation.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act, 2013.

A Brief Profile of the Directors of the Company is annexed herewith as “Annexure IV” to this report.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS: N.A.**

### **RELATED PARTY TRANSACTIONS:**

During the Financial Year 2014-15, Company has not entered significant related party transaction.

### **FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

## **Sophia Finace limited**

### **DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

**During the financial year 2014-15, the Corporate Social Responsibility not applicable to Company.**

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

**The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group and also posted on the website of the Company.**

### **RISK MANAGEMENT:**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- I. in the preparation of the annual accounts for the financial year 2014-15, the applicable accounting standards have been followed and there are no material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates 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 profit of the Company for the financial year;
- iii. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Sophia Finace limited

### **BOARD EVALUATION:**

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).

A separate meeting of the independent directors ("Annual ID meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole performance of the non-independent directors and performance of the Board Chairman.

Some of the key criteria for performance evaluation are as follows –

#### **Performance evaluation of Directors:**

- Attendance at Board or Committee meetings.
- Contribution at Board or Committee meetings.
- Guidance/Support to management outside Board or Committee meetings.

#### **Performance evaluation of Board and Committees:**

- Degree of fulfillment of key responsibilities.
- Board structure and composition.
- Establishment and delineation of responsibilities to Committees.
- Effectiveness of Board processes, Information and functioning.
- Board culture and dynamics.
- Quality of relationship between Board and Management.
- Efficiency of Communication with external stakeholders.

### **MANAGEMENT DISCUSSION & ANALYSIS:**

A report on Management Discussion & Analysis is herewith annexed as 'Annexure V' to this report.

### **CORPORATE GOVERNANCE: N.A.**

**Compliances of Corporate Governance Report are not applicable to your Company.**

### **PARTICULARS OF EMPLOYEES:**

pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2015, there is no employee in the Company who is drawing the remuneration worth Rs. 5 lacs per month or Rs. 60 lacs per annum during the financial year.

## Sophia Finace limited

### HUMAN RESOURCES:

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### Particulars of Employees:

**The information required under section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year: **N.A**

*“The Company has not paid any remuneration to the non-executive directors of the Company for the Financial Year 2014-15.”*

- b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year: **N.A.**

*“During the Financial Year 2014-15, there is no increase in the remuneration of each director of the Company.”*

- c. **The Percentage increase in the median remuneration of employees in the Financial Year: N.A.**

- d. **The number of permanent employees on the rolls of Company:** Other than Managing Director and Whole Time Director, no permanent Employees working in the Company and Company does doing business on contractual basis.

- e. The explanation on the relationship between average increase in remuneration and Company Performance: **N.A.**

- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of Key managerial personnel (KMP) in FY 2015	Nil
Total Revenue	Rs 104280
Remuneration of KMP's ( as % of Revenue)	Nil
Profit/loss Before Tax ( PBT)	Rs.8962 /-
Remuneration of KMP ( as % of PBT)	Nil

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- g. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalization	NA	NA	NA
Price Earnings Ratio	0.00	0.00	0.00%

- h. Comparison of each remuneration of the key managerial personnel against the performance of the Company: **Nil**.
- i. The Key parameters for any variable component of remuneration availed by the directors: **N.A.**
- j. The Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **N.A.**
- k. Affirmation that the remuneration is as per the remuneration policy of the Company:**  
The Company affirms remuneration is as per the remuneration policy of the Company.
- l. The Statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies ( Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company.

**m. ACKNOWLEDGEMENTS:**

Your Directors wish to express their gratitude to the central and state government, investors, analysts, financial institutions, banks, business associates and customers, the medical profession, distributors and suppliers for their whole-hearted support. Your directors commend all the employees of your company for their continued dedication, significant contributions, hard work and commitment.

**For and on behalf of the board**

**Place: Hyderabad  
Date: 02.09.2015**

**Sd/-  
Chairperson & Whole Time Director  
Venkata Vinod Kumar Valipireddy  
(DIN-03642809)**

**SECRETARIAL AUDIT REPORT**  
**For the Financial year ended 31<sup>st</sup> March, 2015**  
**(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration Personnel)**

To  
The Members,  
Sophia Finance Limited,

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Sophia Finance Limited** (herein after called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Sophia Finance Limited**, 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 **31<sup>st</sup> March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board process 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 return field and other records maintained by **Sophia Finance Limited** for the Financial Year ended on **31<sup>st</sup> March, 2015** according to the provisions of:

- i. The Companies Act, 2013 ( the Act) and the rules made thereunder;
- ii. The Securities Contract ( Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and 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 ( Company has not raised External Commercial Borrowings)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ( SEBI Act)
  - 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 ( Not applicable to the Company during the audit period)
  - d. The Securities and Exchange Board of India ( Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ( Not Applicable to the Company during the audit period)
  - e. The Securities and Exchange Board of India ( issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the audit period)

## Sophia Finace limited

- 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; ( Not Applicable to the Company during the audit period)
- g. The Securities and Exchange Board of India ( Delisting of Equity Shares) Regulations, 2009 ( Not Applicable to the Company during the audit period); and
- h. The Securities and Exchange Board of India ( Buyback of Securities) Regulations, 1998 ( Not applicable to the Company during the audit period);

Following qualifications are found during the audit for the Financial Year 2014-15

1. Company has not appointed the Whole Time Company Secretary of the Company as per the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2014-15.

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

- a. Listing Agreements entered into by the Company with Stock Exchanges(s) and
- b. Secretarial Standards issued by the Institute of Company Secretaries of India ( not notified during the audit period and hence not applicable)

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as per Clause 49 of Listing Agreement entered with stock exchanges. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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.
- All the decisions at the board meetings and committee meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report 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.
- There were no such specific events/actions in pursuance of the above referred laws, rules, regulations etc. having a major bearing on the Company's affairs.

**Place: Hyderabad**  
**Date: 02/09/2015.**

**For P.S. Rao & Associates**

**Sd/-**  
**N. Vanitha**  
**M.No. 26859**  
**C.P. No.10573**

**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2015**

**[Pursuant to Section 92 (3) of the Companies Act,s 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.]**

**I. REGISTRATION & OTHER DETAILS:**

1.	<b>CIN</b>	L51909DL1983PLC015622
2.	<b>Registration Date</b>	27/04/1983
3.	<b>Name of the Company</b>	SOPHIA FINANCE LIMITED
4.	<b>Category/Sub-category of the Company</b>	Company Limited by Shares/ Indian Non-Government Company.
5.	<b>Address of the Registered office &amp; contact details</b>	B-63, Ground Floor, B K Dutt Colony New Delhi - 110047 Delhi
6.	<b>Whether listed company</b>	Yes. Listed at Delhi Stock Exchange Limited
7.	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Venture Capital And Corporate Investments Private Limited <b>(VCCIPL)</b> 12-10-167, Bharat Nagar Hyderabad, 500018 Telangana State

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated): Nil**

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Company is not having any Holding, Subsidiary and Associate Companies.**







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i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	124999	124999	62.49	0	124999	124999	62.49	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
i. Non Resident Indians	0	0	0	0	0	0	0	0	0
ii. Directors	0	0	0	0	0	0	0	0	0
iii. Clearing Members	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>124999</b>	<b>124999</b>	<b>62.49</b>	<b>0</b>	<b>124999</b>	<b>124999</b>	<b>62.49</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>124999</b>	<b>124999</b>	<b>62.49</b>	<b>0</b>	<b>124999</b>	<b>124999</b>	<b>62.49</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>200000</b>	<b>200000</b>	<b>100</b>	<b>0</b>	<b>200000</b>	<b>200000</b>	<b>100.00</b>	<b>0.00</b>

## Sophia Finace limited

### B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year 31.03.2014			Shareholding at the end of the year 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encum bered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	
1	C SREEDHAR	35001	17.5	0.00	C SREEDHAR	35001	17.5	0.00
2	P A R CHOUDHARY	35000	17.5	0.00	P A R CHOUDHARY	35000	17.5	0.00
<b>Total</b>				<b>0.00</b>	<b>Total</b>	<b>70001</b>	<b>35.00</b>	<b>0.00</b>

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

SN	Particulars	Shareholding at the beginning of the year 31.03.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	<i>"No Change in promoter Group"</i>			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
3	At the end of the year				



## Sophia Finace limited

### V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	<b>262826</b>	0	<b>262826</b>
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>262826</b>	0	<b>262826</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	<b>262826</b>	0	<b>262826</b>
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	<b>262826</b>	0	<b>262826</b>

### V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **Nil**
- B. Remuneration to other directors: **Nil**
- C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd: **Nil**

### VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

## Sophia Finace limited

### Annexure: III

#### Conservation Of Energy, Research And Development, Technology Absorption, Foreign Exchange Earnings And Outgo

(Particulars Pursuant to the Companies (Accounts) Rules, 2014)

##### A. Conservation of Energy:

Energy Conservation measure taken – “NIL”

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods - “NIL”

##### B. Technology Absorption:

1. Efforts, in brief, made towards technology absorption, adoption and innovation: Nil

2. Benefits derived as a result of the above efforts, Ex; product improvement, cost reduction, product development, import substitution etc. : Nil

3. Import of technology : Nil

##### C. Research and Development:

1. Specific areas in which R& D carried out by the Company : Nil

2. Benefits derived as a result of the above R& D : Nil

3. Future plan of action : Nil

4. Expenditure on R & D

a) Capital : Nil

b) Recurring : Nil

c) Total : Nil

d) Total Expenditure on R & D as a percentage of total turnover : Nil

##### D. Foreign Exchange Earnings and out go.

Particulars	For F.Y. 2014 -15
Earnings in Foreign Exchange	0.00
Less: Expenditure in Foreign Exchange	0.00
<b>Net Earnings in Foreign Exchange</b>	<b>0.00</b>

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry Structure & Development:**

Non-Banking Financial Companies (NBFC) have rapidly emerged as an important segment of the Indian financial system. Moreover, NBFCs assume significance in the small business segment as they primarily cater to the credit requirements of the unorganized sector such as wholesale & retail traders, small-scale industries and small borrowers at the local level. NBFC is a heterogeneous group of financial institutions, performing a wide range of activities like hire-purchase finance, vehicle financing, equipment lease finance, personal loans, working capital loans, consumer loans, housing loans, loans against shares and investment, etc. NBFCs are broadly divided into three categories namely (i) NBFCs accepting deposits from banks (NBFC-D); (ii) NBFCs not accepting/holding public deposits (NBFCND); and (iii) core investment companies

**Opportunities & threats:**

The NBFC sector has great potential to grow further and the Government of India is also focusing on their development and expansion in rural areas. The recent steps by the Government of India to create Infrastructure for NBFC and to provide banking license for NBFCs is a positive signal and the emergence of REMF (Real Estate Mutual Funds) & REIT (Real Estate Investment Trust) has brought new scope for funding in Real Estate Sector. However, NBFC's do play a critical role in participating in the development of an economy by development in sectors like transport, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance.

**Risks and concerns:**

Being in the financial services business has its own typical risks and the Company takes full cognizance of the fact that these risks can have a serious impact on the operations of the Company as well as its profitability. In order to ensure that the impact of risks is minimal, the Company lays utmost importance on scanning the external environment regularly. The Company also has adequate risk identification. To mitigate the risks affecting the growth and profitability the company has directed its efforts for risk management by employing the people who are expertise and trying to initiate new technology. The company is constantly engaged in innovating its methods and procedure of risk management

**Outlook:** Company is evaluating various opportunities and suitable business opportunities which improve the operations of the company.



## **Sophia Finace limited**

### **Performance Review:**

Discussion on Financial Performance with respect to Operational Performance:

**1. Total Income: 1,04,280.**

**2. Share Capital:**

The paid up share capital as on 31st March, 2015 is **Rs. 20,00,000/-**

**3. Net Profit:**

The Company's operating lossRs. 8,962 during the year.

**4. Earnings Per Share (EPS):**

The Earning Per Share for the Financial Year 2014-15 is Rs 0.04 per share (Face Value: Rs.10/- each).

Your directors are putting continuous efforts to increase the performance of the Company and are hopeful that the performance in coming year will overcome from the present situation.

### **Human Resource:**

Your company recognizes that the human resources are the most crucial factor for achieving sustained growth over the years. The management considers it's highly motivated and passion driven work force as it's partner in the growth of the company.

## **Sophia Finace limited**

### INDEPENDENT AUDITOR'S REPORT

To the members of,  
M/s. SOPHIA FINANCE LIMITED,

Report on the Financial Statements:

We have audited the accompanying financial statements of M/s. Sophia Finance Ltd, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## Sophia Finace limited

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015; and
- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.
- c) In the case of the Cash flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 of the Order to the extent applicable.

2. As required by section 143(3) of the Act, we further 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;

## Sophia Finace limited

- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the applicable accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company does not have pending litigations which would impact its financial position.
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - (iii) There have been no occasions in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.

For B. Srinivasa Rao & Co.,  
Chartered Accountants  
Firm Reg. No: 008763S

Sd/-  
CA B. SRINIVASA RAO  
PARTNER  
M.No: 205449

Place: Hyderabad  
Date: 12/08/2015

## Sophia Finace limited

### ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph (1) under the heading "**Report on other Legal and Regulatory Requirements**" of our report of even date on the financial statements for the year ended March 31st 2015 of **SOPHIA FINANCE LIMITED**

**On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:**

- i. In respect of its fixed assets:  
As per information and explanation given to us, Company is a finance company and it does not have any fixed assets during the year.
- ii. In respect of its Inventories:  
There were no Commercial transactions happened during the Previous year 2014-2015, The company didn't hold any inventory for the year ended 31<sup>st</sup> March,2015.
- iii. As informed, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
- vi. The company is not required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. In respect of statutory dues:  
(a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Value added tax, cess and other material, there were no Statutory dues payable during the year by the company with the appropriate authorities but there is service tax Payable of Rs 499195 relating to the previous years.

## Sophia Finace limited

- (b) According to the information and explanations given to us, there are no disputed dues relating to income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there are no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under.
- viii. The Company does not have accumulated losses at the end of the financial year. The Company does not have cash loss during the financial year covered by the audit.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to the financial institution/banks including interest and principal as on 31<sup>st</sup> March 2015.
- x. According to the information and explanations given to us, the company has not given the guarantees for loans taken by others from banks, and financial institutions.
- xi. Based on the Information and explanations provided to Us, There are no term loans raised during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

For B. SRINIVASARAO & CO.,  
CHARTERED ACCOUNTANTS  
FRN. 008763S

Sd/-  
CA B. SRINIVASA RAO  
PARTNER  
M.No : 205449

Place : Hyderabad  
Date : 12/08/2015

**Sophia Finace limited**

**BALANCE SHEET AS AT 31st MARCH, 2015**  
( All amounts in indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31-03-2015	As at 31-03-2014
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>Shareholder's Funds</u></b>			
(a) Share Capital	3	2,000,000	2,000,000
(b) Reserves and Surplus	4	176,584	167,622
<b><u>Current Liabilities</u></b>			
(a) Short-Term Borrowings	5	262,826	262,826
(b) Other Current Liabilities	6	627,016	604,899
(c) Short-Term Provisions	7	400,042	396,035
<b>Total</b>		<b>3,466,468</b>	<b>3,431,382</b>
<b>II.ASSETS</b>			
<b><u>Current Assets</u></b>			
(a) Trade receivables	8	3,080,918	3,083,380
(b) Cash and cash equivalents	9	50,848	51,882
(c) Short-term loans and advances	10	334,702	296,120
<b>Total</b>		<b>3,466,468</b>	<b>3,431,382</b>
<b>Summary of significant accounting policies</b>			
<i>The accompanying notes are an integral part of the financial statements.</i>			

As per our report of even date.

for B.Srinivas Rao & Co  
Chartered Accountants  
Firm Reg.No. 008763S

Sd/-  
B. Srinivasa Rao  
Partner  
Membership No. : 205449

For and on behalf of the Board of  
**Sophia Finance Limited**

Sd/-  
Chairperson of the Company  
& Whole Time Director  
Venkata Vinod Kumar  
Valipireddy (DIN - 03642809)

Place : Hyderabad  
Date: 12.08.2015

## Sophia Finace limited

### PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2015 ( All amounts in indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from operations			
Other Income		104,280	250,000
<b>Total Revenue (i)</b>		<b>104,280</b>	<b>250,000</b>
<b>Expenses:</b>			
Other Administrative Expenses	11	91,311	247,917
<b>Total Expenses (ii)</b>		<b>91,311</b>	<b>247,917</b>
Profit before exceptional and extraordinary items and tax		<b>12,969</b>	<b>2,083</b>
Prior period Expenses			
<b>Earnings before interest, tax, depreciation and amortisation ( EBITDA )</b>		<b>12,969</b>	<b>2,083</b>
(1) Current tax		4,007	644
(2) Tax -Previous years			
Profit(Loss) from the perid from continuing operations		<b>8,962</b>	<b>1,439</b>
<b>Profit/(Loss) for the period</b>		<b>8,962</b>	<b>1,439</b>
Earning per equity share:			
(1) Basic		0.04	0.01
(2) Diluted		0.04	0.01

As per our report of even date.

for B. Srinivasa Rao & Co  
Chartered Accountants  
Firm Reg.No. 0087635

Sd/-  
B.Srinivasa Rao  
Partner  
Membership No. : 205449

Place : Hyderabad  
Date: 12.08.2015

For and on behalf of the Board of

**Sophia Finance Limited**

Sd/-  
Chairperson of the Company  
& Whole Time Director  
Venkata Vinod Kumar  
Valipireddy (DIN - 03642809)



**Cash flow statement for the Year ended March 31, 2015**  
( All amounts in indian Rupees, unless otherwise stated)

	Particulars	For the Year ended 3/31/2015	For the Year ended 3/31/2014
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax and Extraordinary Items	12,969	2,083
	Adjustments for:		
	Depreciation	0	0
	<b>Operating Profit Before Working Capital Changes</b>	12,969	2,083
	Adjustments for :		
	(Increase)/Decrease in Sundry debtors	2,462	(180,900)
	(Increase)/Decrease in Short-Term Loans and Advances	(38,582)	-
	(Increase)/Decrease in Long-Term Loans and Advances		
	(Increase)/Decrease in Non-Current assets		
	Increase/ (Decrease) in Trade payable	-	-
	Increase/ (Decrease) in short-term Provisions	4,007	86,604
	Increase/ (Decrease) in Long-term Provisions		
	Increase/ (Decrease) in Current liabilities and Provisions	22,117	56,851
	<b>Cash generated from Operations</b>	2,973	(35,362)
	Income Taxes paid	4,007	-
	<b>Net Cash Flow from Operating Activities</b>	(1,034)	(35,362)
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	<b>Net Cash Flow from Investing Activities</b>	-	-
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds/ (Repayment) of Short Term Borrowings	-	-
	Proceeds/ (Repayment) of Secured Loans		
	<b>Net Cash Flow from Financing Activities</b>	-	-
	Net increase/ (decrease) in Cash and Cash Equivalents	(1,034)	(35,362)
	Cash and Cash Equivalents at the beginning of the year	51,882	87,244
	Cash and Cash Equivalents at the end of the year	<b>50,848</b>	<b>51,882</b>
		(0)	(0)

As per our report of even date.

for B. Srinivasa Rao & Co  
Chartered Accountants  
Firm Reg.No. 008763S

For and on behalf of the Board of  
**Sophia Finance Limited**

Place : Hyderabad  
Date: 12.08.2015

Sd/-  
B.Srinivasa Rao  
Partner  
Membership No. : 205449

Sd/-  
Chairperson of the Company  
& Whole Time Director  
Venkata Vinod Kumar  
Valipireddy (DIN- 03642809)

## Sophia Finace limited

### NOTES TO ACCOUNTS:

#### 1. Corporate information

Sophia Finance Limited was incorporated as a Public Limited company on 27<sup>th</sup> April 1983 to pursue the business of financing the industrial enterprises. The company is presently listed on Delhi Stock Exchange.

#### 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended), the provision of Companies Act 2013 (to the extent notified) and the relevant provisions of the Companies Act, 1956 (to the extent applicable). The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy as discussed in Para 2.1(a) below.

#### 2.1. Summary of significant accounting policies

##### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### (b) Leases

There are no leases applicable to the company.

##### (c) Impairment of tangible and intangible fixed assets

There is no impairment of tangible or intangible assets

##### (d) Investments

There are no Investments.

##### (e) Revenue recognition

The Company generally follows mercantile system of accounting and recognizes significant items of income on accrual basis.

#### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rates implicit in the transaction.

## Sophia Finace limited

### **Dividends**

The company policy is to recognize when the unit holder's right to receive dividend is established by the reporting date.

### **(f) Expenditure:**

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

### **(g) Employee benefits**

Gratuity/Leave encashment/ provident Fund:

The employee benefits are not applicable as the company has no employees on its rolls.

### **(h) Income taxes**

Provision for income tax is made as per the accounting standard 22 issued by the institute of chartered accountants of India.

### **(i) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to the equity share holders and the weighted average number of shares outstanding during the year is adjusted for the effects of dilutive potential equity shares.

### **(j) Provisions**

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **(k) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### **(l) Cash and cash equivalents**

In the Cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short terms highly liquid investments with original maturities of three months or less.

## Sophia Finace limited

### (m) Segmental Reporting

There are no reportable segments for the Company.

### (n) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization

(EBITDA) as a separate line item on the face of the statement of profit and loss .the Company measures EBITDA on the basis of the profit from operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expenses.

### 3. Share Capital

(Rupees)

Particulars	As at	
	March31,2015	March31,2014
<b>Authorised:</b>		
2,00,000 Equity Shares of Rs.10 each	20,00,000	20,00,000
<b>Issued,subscribed&amp; Paid up</b>		
2,00,000 Equity Shares of Rs.10 each	20,00,000	20,00,000

#### a)Reconciliation of number of Equity Shares

(Rupees)

Particulars	As at March31,2015		As at March31,2014	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	2,00,000	20,00,000	2,00,000	20,00,000
Add: shares issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>2,00,000</b>	<b>20,00,000</b>	<b>2,00,000</b>	<b>20,00,000</b>

## Sophia Finace limited

### b) Rights, Preferences and restrictions attached to shares

**Equity Shares:** The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

### c) Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Particulars	As at March31,2015		As at March31,2014	
	No. of shares	%	No. of shares	%
C. Sreedhar	35,001	17.50%	35,001	17.50%
P A R Choudhary	35,000	17.50%	35,000	17.50%

## 4. Reserves and Surplus

### a) Profit & Loss Account

Particulars	As at March31,2015	As at March31,2014
Balance as at the beginning of the year	1,67,622	1,66,183
Add: Profit during the year	8962	1,439
Balance as at the end of the year	<b>1,76,584</b>	<b>1,67,622</b>

## 5.Short -Term borrowings:

### Loans :

Particulars	As at March31,2015	As at March31,2014
Loan from Directors	2,07,826	2,07,826
Others	55,000	55,000
<b>Total</b>	<b>2,62,826</b>	<b>2,62,826</b>

## Sophia Finace limited

### 6. Other Current Liabilities

Particulars	As at March31,2015	As at March31,2014
Service Tax payable	4,99,195	4,99,195
TDS payable	-	-
Audit Fee Payable	42,472	22,472
Other Provisions	85,349	83,232
<b>Total</b>	<b>6,27,016</b>	<b>6,04,899</b>

### 7. Short -Term Provisions

Particulars	As at March31,2015	As at March31,2014
Interest provision for service tax payment	2,05,920	2,05,920
Provision for Income Tax	1,94,122	1,90,115
<b>Total</b>	<b>4,00,042</b>	<b>3,96,035</b>

### 8. Trade Receivables

Particulars	As at March31,2015	As at March31,2014
<b>1)Outstanding for more than six months</b>		
Secured considered Good	30,80,918	29,14,840
<b>2) Others</b>		
Secured considered Good		1,68,540
<b>Total</b>	<b>30,80,918</b>	<b>30,83,380</b>

## Sophia Finace limited

### 9. Cash and Cash equivalents

Particulars	As at March31,2015	As at March31,2014
Cash on hand	32,951	34,751
Bank balances in current accounts	17,897	17,131
<b>Total</b>	<b>50,848</b>	<b>51,882</b>

### 10. Short term Loans and advances

Particulars	As at March31,2015	As at March31,2014
Advance Income Tax /TDS	334,702	2,96,120
<b>Total</b>	<b>334,702</b>	<b>2,96,120</b>

### 11. Other Administrative expenses

Particulars	As at March31,2015	As at March31,2014
Listing Fee	16,854	5,618
Postage & Telegram	0	3500
Professional Charges	28,354	57,507
ROC Expenses	2,800	10,800
Printing & Stationery Expenses	223	20,300
Auditors Remuneration	20000	22,472
Rates & Taxes	1,800	-
Advertisement & Publicity	21,280	41,760
Interest on service tax	0	85,960
<b>TOTAL</b>	<b>91,311</b>	<b>2,47,917</b>

## Sophia Finace limited

### 12. Earnings per Share

(Amount in Rs)

PARTICULARS	31.03.2015	31.03.2014
Total No. of Shares	2,00,000	2,00,000
Profit after Taxes and exceptional items	7,027	1,439
Earnings per share Basic & Diluted (₹ per share)	0.04	0.01

### 13. Auditors Remuneration

Audit Fee – Rs. 20,000/- p.a. for the financial year ended 31.03.2015

Particulars	Amount(Rs)
Audit Fee	15000.00
Consultancy Services	5000.00
<b>Total</b>	<b>20000.00</b>

### 14. Managerial Remuneration

No Managerial remuneration paid to any of its Managerial personals.

### 15. Related Party Transactions

There are no related parties Transactions.

16. Based on the information available with the Company, there are no suppliers who are registered as micro and small enterprises under “The Micro, Small and Medium Enterprises Development Act, 2006” to whom the Company has paid interest or any interest payable on balances outstanding as at March 31, 2015.

### 17. Expenditure in foreign currency

Particulars	As at March31,2015	As at March31,2014
Foreign Travel Expenditure	Nil	Nil



# SOPHIA FINACE LIMITED

CIN: L51909DL1983PLC015622

Registered Office: B-63, Ground Floor, B K Dutt Colony, New Delhi – 110047, Delhi  
IN

E-mail : sophiatraexpo@gmail.com Website : \_\_\_\_\_

## Form No.MGT-11

### Proxy Form

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

CIN	CIN: L51909DL1983PLC015622		
Name of the Company	SOPHIA FINANCE LIMITED		
Registered Office	B-63, Ground Floor, B K Dutt Colony, New Delhi – 110047, Delhi		
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID		DP ID	

I / We, being the Member(s) of \_\_\_\_\_ shares of Sophia Finance Limited, hereby appoint

(1) Name : Address : \_\_\_\_\_

E-mail ID : Signature : \_\_\_\_\_, or failing him \_\_\_\_\_

(2) Name : Address : \_\_\_\_\_

E-mail ID : Signature : \_\_\_\_\_, or failing him \_\_\_\_\_

(3) Name : Address : \_\_\_\_\_

E-mail ID : Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 32nd Annual General Meeting (AGM) of the Company to be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 10.00 a.m at B-63, Ground Floor, B K Dutt Colony, New Delhi, Delhi- 110047, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional( )	
		For	Against
Ordinary & Special Business			
1.	Adoption of Accounts for the financial year ended 31st March, 2015, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2.	Appointment of M/s _____ Chartered Accountants (Firm Registration Number _____), Hyderabad, who were appointed as the Statutory Auditors of the Company till the conclusion of 32nd Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors. agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending 31st March, 2016."		
3			
4	Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		
5	Appointment of Vishnu Mohan Choudhary (DIN-00781016), as Director		
6	Appointment of VenkataVinod Kumar Valipireddy as Whole Time Director and chief executive officer (DIN- 03642809).		
7	Appointment of Mr. SrinivasaraoBolla (DIN 06786590) as independent director of the company		

Signed this \_\_\_\_\_ day of 2015.

Signature of shareholder:

Affix  
Revenue  
Stamp

NOTE: This form of proxy, in order to be effective, should be duly completed and deposited at the corporate office of the Company not less than 48 hours before the commencement of the AGM.

**SOPHIA FINACE LIMITED**

**CIN: L51909DL1983PLC015622**

**Registered Office** Registered Office :B-63, Ground Floor, B K Dutt Colony, New Delhi – 110047, Delhi

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**ATTENDANCE SLIPS**  
(To be presented at the entrance)

I hereby record my presence at the 32nd Annual General Meeting of the Company held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 10.00 a.m at B-63, Ground Floor, B K Dutt Colony, New Delhi, Delhi- 110047,.



Folio No. \_\_\_\_\_ DP.ID. No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_



Name of the Proxy holder \_\_\_\_\_ Signature \_\_\_\_\_



ROUTE MAP AGM

