

**Annual Report
2019-2020**



Bangalore Softsell Limited

Regd Office: 334/22 I Floor, I Main 41 Cross, 8 Block
Jayanagar, Bangalore 560070

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Day and Date	Tuesday, 29 September 2020
Time	11:00 AM

Notice to AGM

NOTICE is hereby given that the 33 Annual General Meeting of the Members of Bangalore Softsell Limited (“the Company”) will be held on Tuesday, September 29, 2020 at 11:00 a.m. (IST) through Video Conferencing (“VC”), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt: the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon;

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon as circulated to the members, be and are hereby considered and adopted.”

2. To appoint Mr. Srinivas Satyanarayana (DIN: 07752657), who retires by rotation as a Director, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Srinivas Satyanarayana (DIN: 07752657), who retires by rotation at this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

By Order of the Board of Directors

For Bangalore Softsell Limited

S Ragothaman

Managing Director

August 7, 2020

Registered Office: 334/22 41 Cross Jayanagar 8 Block Bangalore 560070.

Tel 080 41104111 Website: www.bangaloresoftsell.com

Mail ID mail@bangaloresoftsell.com CIN: U85110KA1986PLC008020

NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means, without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC, the route map of the venue of the Meeting is not annexed hereto.
5. In terms of the provisions of Section 152 of the Act, Mr. Srinivas Satyanarayana , Director, retires by rotation at the Meeting. Further Mr. Srinivas Satyanarayana is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to her re-appointment. The relatives of Mr. Srinivas Satyanarayana may be deemed to be interested in the resolution set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 and 2 of the Notice.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website www.bangaloresoftsell.com, and on the website of Company’s Registrar and Transfer Agent, KFin Technologies Private Limited (“KFinTech”) at <https://evoting.kfintech.com>

For receiving all communication (including Annual Report) from the Company electronically: a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at mail@bangaloresoftsell.com or to KFinTech at <https://evoting.kfintech.com>. b) Members holding shares in dematerialized mode are requested to register /update their email addresses with the relevant Depository Participants.

Notes for e-AGM Notice

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, companies are permitted to hold their AGM through VC/OVAM for the calendar year 2020.
2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the ---th Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as “e-AGM”.
3. **e-AGM:** Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the circulars of AMC on the VC/OVAM(e-AGM):
 - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required
 - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
7. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
8. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Instructions for the Members for attending the e-AGM through Video Conference:

1. **Attending e-AGM Video conference :** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> and **click on the “video conference”** and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

4. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos. The posting of the questions shall also commence on Saturday Sep 26 2020 9.00 AM and close on Sunday Sep 27 at 5.30 PM.
7. Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference.
8. **Speaker Registration during e-AGM session:** In case of decision to allow the Q&A session in the meeting, meeting may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Saturday Sep 26 2020 9.00 AM and close on Sunday Sep 27 at 5.30 PM subject to a maximum of 5 share holders.

Instructions for members for e-Voting during the e-AGM session:

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

Remote Voting through electronic means

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **September 22nd 2020** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

- i. The details of the process and manner for remote e-voting are given below:
 - i. Initial password is provided in the body of the email.
 - ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
 - iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin

- for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the details appropriately, click on LOGIN.
 - v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. You need to login again with the new credentials.
 - vii. On successful login, the system will prompt you to select the EVENT i.e. Bangalore Softsell Limited.
 - viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
 - ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
 - x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
 - xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL_EVENT No.'
 - xii. Members can cast their vote online from 26 Sep 2020 (9.00 a.m.) till 28 Sep 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
 - xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).

PROCEDURE FOR INSPECTION OF DOCUMENTS: . The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to mail@bangaloresoftsell.com. 15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before , Friday September 25, 2020 through email mail@bangaloresoftsell.com. The same will be replied by the Company suitably

OTHER INFORMATION.

Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company / KFinTech has stopped accepting any fresh lodgment of transfer of shares in

physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

Members holding shares in physical mode are: a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/ KFinTech, if not registered with the Company/ KFinTech, as mandated by SEBI by writing to the Company at mail@bangaloresoftsell.com or to KFinTech at bsinvestor@kfintech.com along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque. b) Advised to register nomination in respect of their shareholding in the Company as per Section 72 of the Act and are requested to write to KfinTech.

Members holding shares in electronic mode are: a) requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts. b) Advised to contact their respective DPs for registering nomination.

Non-Resident Indian members are requested to inform KFinTech / respective DPs, immediately of: a) Change in their residential status on return to India for permanent settlement. b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to KFinTech for consolidation into a single folio

By Order of the Board of Directors

For Bangalore Softsell Limited

S Ragothaman

Managing Director

August 7, 2020

Registered Office: 334/22 41 Cross Jayanagar 8 Block Bangalore 560070.

Tel 080 41104111

Website: www.bangaloresoftsell.com

Mail ID mail@bangaloresoftsell.com

CIN: U85110KA1986PLC008020

Director's Report

Your Directors have pleasure in presenting their Thirty Third Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Board's Report shall be prepared based on the stand-alone financial statements of the company.

All figures in Lakhs of Rupees

Particulars	2019-2020	2018-2019
Revenue from Operations	89.87	45.73
Other Income	1.42	1.85
Total Income	91.29	47.58
Expenses	51.64	27.00
Other Expenses	15.78	14.65
Provision & Interest Write Off	116.96	202.73
Total Expenses	184.58	244.38
Profit Before tax	(93.29)	(196.85)
Less Current tax		
Profit / Loss after tax	(93.29)	(196.85)
Earnings per Share	(0.94)	(1.99)

2. STATE OF COMPANY'S AFFAIR

Your company is now supporting clients at USA and Australia and need to work across time zones. Keeping pace with users have helped to attain better support and service to customers. Your company has also ventured into product support for custom built package. In addition Indian customers have been retained with AMC and other support projects.

BUSINESS PERFORMANCE

As the company has now been unlisted public company, the shares held by the Employees welfare trust has been reassessed and the outstanding balance receivable on account of past interest accrued on the advances has now been written off as the trust may not have the ability to repay the balance to the Company.

As the company exercising more tighter control on all operating expenses even with newer projects the company is having positive cash generated out of the current operations and has ability to manage the future business growth.

During the year under consideration, the Company has achieved a turnover amounting to Rs. 89.87 lakhs in comparison to Rs. 45.73 lakhs during the immediately previous financial year.

This growth has helped your company to improve its operating profits and cash flow and will maintain this healthy trend in the current year.

3. COVID 19

In the last month of FY 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. The growth may be impacted, but operations will be business as usual.

4. DIVIDEND

No Dividend was declared for the current financial year due to loss incurred by the Company.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no material change in the nature of business during the year.

6. TRANSFER TO RESERVES

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

8. DEPOSITS

The Company has neither accepted nor renewed any deposits from public during the year under review.

9. SHARE CAPITAL

There is no change in Share Capital of the Company in the Financial year 2019-20.

10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

11. RE-APPOINTMENT OF DIRECTOR

Mr. Srinivas Satyanarayana (DIN: 07752657) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

12. NUMBER OF MEETINGS

Board of Directors Meeting

5 meetings of the Board of Directors were held during the financial year 2019-20 on the following dates: 15th May 2019, 8th July 2019, 24th August 2019, 20th November 2019 and 5th March 2020.

Name of Director	Designation	Number of Meetings Attended
Mr. S Ragothaman	Managing Director	5
Ms. Usha P Raikar	Director	5
Mr. S Srinivas	Non-Executive Director	4

13. COMMITTEES OF THE BOARD

The Company does not have any Committee since the same is not applicable.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements.

The details related party transactions that were entered into during the financial year are given in the notes to the financial statements in the note no. 20.

15. DECLARATION BY AN INDEPENDENT DIRECTOR(S)

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable

17. VIGIL MECHANISM

The Company has established a vigil mechanism through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Managing Director on reporting issues concerning the interests of co employees and the Company.

18. RISK MANAGEMENT

The company faces such as strategic, financial, credit, liquidity, security, property, IT, legal, regulatory and other risk have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans given, investments made, guarantees given and securities provided are disclosed in the financial statement.

20. QUALITY INITIATIVES

The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management

21. AUDITORS

The Shareholders of the Company had appointed R K Suchindra, Chartered Accountant, (Membership No. - 223667) Bangalore, as Statutory Auditor of the Company for the period of 5 years commencing from the Financial Year 2018-19 to 2022-23 in 31st Annual General Meeting held on 28th September, 2018.

22. AUDITORS' REPORT

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

23. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards in the Financial Year 2019-20.

24. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2020 is given in Annexure III in the prescribed Form No. MGT-9, which is a part of this report. The same is available on company web site www.bangaloresoftsell.com/financial/shareholding

25. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your company size is small sector and this act is not applicable, however management sensitize the workplace environments and makes them fair and healthy.

26. INTERNAL FINANCIAL CONTROLS

Cost control systems are in place matching the size and operations of the company. The process is mature and well positioned and effectively managed.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward looking statements

This report contains forward looking statements. All statements that address expectations or projections about the future are forward looking statements. Since these are based on certain assumptions and expectations of future events, the company cannot guarantee that these are accurate and will be realized.

a. Global IT scenario

Global economy is not predictable due to the pandemic, and this will compel companies to look at cost as a major concern.. However, niche markets will open up due to this and your company and their partners are seeking to leverage their skills to enter to newer segment and the effect will show from the last quarter only..

b. Opportunities and threats

Due to contactless operations, getting skilled employees for newer project will become complex and difficult and this will negate upward growth. However companies would want to retune their systems for better effective operation and will demand more management attention.

c. Outlook

Your Company's operations will be stable despite Covid and will grow marginally in the coming year.

d. Risks and concerns

This industry is people and skill driven and this will always remain a key factor impacting growth. People are also reluctant to shift and your company may have to rely on fresh graduates more.

e. Internal Control systems

Cost control systems are in place matching the size and operations of the company. The process is mature and well positioned and effectively managed.

f. Segment wise performance

Your Company is engaged in Software service, which constitutes the only segment.

g. Materials developments in human resources

There was an increase of developers to support projects and will be supplemented with newer orders and projects.

28. EXTRACT OF THE ANNUAL RETURN DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR

TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or materials order were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

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

Your Company has laid down standards and processes which enable internal financial control across the Company and ensured that the same are adequate and operating effectively.

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

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

a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	Nil
(ii)	the steps taken by the company for utilizing alternate sources of energy	Nil
(iii)	the capital investment on energy conservation equipment's	Nil

(b) Technology absorption

(i)	the efforts made towards technology absorption	Nil
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign exchange earnings and Outgo

- a. Expenditure in Foreign currency - Nil
- b. Earnings in Foreign Currency- 61.56 Lakhs

31.DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgements 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 and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. HUMAN RESOURCES

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

33. ACKNOWLEDGEMENTS

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the Bangalore Softsell Limited family.

For Bangalore Softsell Limited

Managing Director

Director

Place: Bangalore
Date: 7 Aug 2020

S Ragothaman
DIN: 00026750

Usha Raikar
DIN: 00046371

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Bangalore Softsell Limited.

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Bangalore Softsell Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020 and its loss and cash flows for the year ended on that date.

Basis of Opinion

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

Emphasis of Matter

I invite attention to Note No 2.2 to the financials statement regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its business and financials, including valuation of assets for the year ended March 31, 2020. This assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods.

My opinion is not modified on the above matter.

Other Matters

Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration; the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium.

My opinion is not modified on the above matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements do not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed I conclude that there is material misstatement of this other information, I am required to report to that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls. This report include a statement on internal financial controls under section 143(3)(i) of the Act, as this is applicable to the Company in terms of notification dated 13 June, 2017, issued by Ministry of Corporate Affairs.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, I give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, I report that:
 - (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in Annexure B.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
 - i. The Company does not have any pending litigations, which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bangalore

Date: 7 Aug 2020

R.K.Suchindra,

Chartered Accountant.

M. no. : 223667.

UDIN : . 20223667AAAAIU5037

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**Annexure A referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of my Report of even date**

According to the information and explanations given to me, and the basis of my examination of the records of the Company, I state that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to me, and the records examined by me, there are no freehold immovable property held by the Company.
- ii) The Company is in the business of providing services and does not have any physical inventories. Accordingly, reporting under clause 3(ii) of the order is not applicable to the Company.
- iii) According to the information and explanations given to me and on the basis of my examination of the books of account, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of paragraph 3(ii) (a), (b), (c) of the Order are not applicable to the Company.
- iv) The Company is of the opinion that the loans and advances given prior to the date that provisions of sections 185 and 186 of the Act coming into force are governed by the earlier law and accordingly, in my opinion and according to the information and explanation given to me, the company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments, providing guarantees and securities as applicable.
- v) The company has not accepted deposits from the public and hence paragraph (v) of the Order is not applicable.
- vi) As per the information and explanation given by the management maintenance of cost records have not been prescribed by the Central Government under sub-section 148(1) of the Act.
- vii) According to the information and explanations given to me, in respect of statutory dues,
 - a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a few delays during the year in few cases. In case of Karnataka state professional tax, there is a delay in payment of Professional tax amounting to Rs. 34,200/- which has been remitted after audit period.
 - b) There were no other undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- c) According to the information and explanation given to us, there are no dues of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii) In my opinion and according to the information and explanations given to me, the Company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any terms loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) To the best of my knowledge and belief and according to the information and explanations given to me based upon the audit procedures performed and, no fraud on or by the Company has been noticed or reported during the year nor I have been informed of such case by the management.
- xi) In my opinion and according to the information and explanations given to me, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) In my opinion and according to the information and explanations given to me the Company is in compliance with section 177 and 188 of the Act, where applicable for all transactions with the related parties and the details of related party transactions been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to me and based on my examination of the records of the company, the Company has not made any preferential allotment or private placement of share or partly or fully convertible debenture during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv) In my opinion and according to the information and explanation given to me, during the year, the Company has not entered into non-cash transactions with Directors or persons connected with its Directors, and hence Accordingly, provisions of Section 192 of the Act is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

R. K. Suchindra,

Place: Bangalore

Chartered Accountant.

Date: 7 Aug 2020

M. no.: 223667.

UDIN :  20223667AAAAIU5037

Annexure B referred to in Paragraph 2 (f) under “Report on Other Legal and Regulatory Requirements” Section of our Report of even date**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

I have audited the internal financial controls over financial reporting of BANGALORE SOFTSELL LIMITED (“the Company”) as of March 31, 2020 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India⁷.

Place: Bangalore

Date: 7 Aug 2020

R. K. Suchindra,

Chartered Accountant.

M. no.: 223667

UDIN : . 20223667AAAIIU5037

BANGALORE SOFTSELL LIMITED**Balance Sheet as at 31 March 2020**

Particulars	Notes	As At 31.03.2020	As At 31.03.2019
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a. Share Capital	3	49,545,500	49,545,500
b. Reserves & Surplus	4	(42,441,034)	(33,112,222)
2 Non Current liabilities			
a. Long term Provisions	5	173,750	-
3 Current liabilities			
a. Trade payables	6	96,180	18,314
b. Short-term provisions	7	391,408	51,586
c. Other current liabilities	8	622,670	1,571,042
Total		8,388,474	18,074,220
II. ASSETS			
1. Non-current assets			
a. Fixed Assets			
i. Tangible assets	9	270,942	214,205
c. Long-term loans and advances	10	2,342,028	14,633,380
2. Current assets			
a. Trade receivables	11	2,449,837	1,228,569
b. Cash and cash equivalents	12	1,784,675	1,772,499
c. Other current assets	13	1,540,992	225,567
Total		8,388,474	18,074,220

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per my report on even date

R.K.Suchindra
Chartered Accountant
M.No. 223667

Place : Bangalore
Date : 7 Aug 2020

For and on behalf of board of directors

S Ragothaman
Managing Director

Usha P Raikar
Tech. Director

BANGALORE SOFTSELL LIMITED**Statement of Profit & Loss for the year ended 31 March 2020**

Particulars	Notes	2019-20 Rs.	2018-19 Rs.
Revenue			
Revenue from operations	14	8,986,743	4,573,168
Other Income	15	142,628	184,820
Total Revenue		9,129,371	4,757,988
Expenses			
Employee benefit expenses	16	5,164,002	2,699,945
Other expenses	17	1,577,641	1,465,190
Depreciation and amortization expenses		20,380	4,264
Provision for Ex-employee Advance		-	7,279,294
Interest accrued from Welfare Trust Written off		-	12,993,899
Advances to employees welfare trust written off		11,696,160	-
Total Expenses		18,458,183	24,442,592
Profit / (Loss) before tax		(9,328,812)	(19,684,604)
Tax expenses			
Current Tax		-	-
Deferred Tax asset written off		-	-
Total Tax expenses		-	-
Profit / (Loss) for the year		(9,328,812)	(19,684,604)
Earnings per share		(0.94)	(1.99)

Summary of significant accounting policies

The accompanying notes are an integral part of the financials statements**As per my report on even date****For and on behalf of board of directors**

R.K.Suchindra
Chartered Accountant
M.No. 223667

S Ragothaman **Usha P Raikar**
Managing Director Tech. Director

Place : Bangalore
Date : 7 Aug 2020

BANGALORE SOFTSELL LIMITED		
Cash Flow Statement for the year ended 31 March, 2020		
Particulars	2019-20 Rs.	2018-19 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(9,328,812)	(19,684,604)
Adjustments for:		
Depreciation	20,380	4,264
Provision for Employee Advance	-	7,279,294
Liability written Back	-	(51,221)
Interest accrued from Welfare Trust Written off	-	12,993,899
Advances to employees welfare trust written off	11,696,160	-
Interest Received	(142,628)	(133,599)
Operating profit before working capital changes	2,245,100	408,033
Adjustments for:		
Decrease/(Increase) in Trade Receivables	(1,221,268)	(198,441)
Decrease/(Increase) in Other Current Assets	(1,568,743)	-
(Decrease)/Increase in Trade Payables	77,865	-
(Decrease)/Increase in Short-term provisions	339,822	-
(Decrease)/Increase in non Current liabilities & Provisions	173,750	-
(Decrease)/Increase in Current liabilities & Provisions	(948,372)	216,034
Cash generated from operations	(901,846)	425,626
Direct Taxes Paid	253,318	(146,289)
Net cash from operating activities (A)	(648,528)	279,337
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(77,118)	(114,407)
Interest Received	142,628	133,599
Net Cash Used in Investing Activities (B)	65,510	19,192
C. CASH FROM FINANCING ACTIVITIES		
Repayment of Housing Loan	595,193	1,098,250
Net Cash From Financing Activities (C)	595,193	1,098,250
Net Increase in Cash and Cash Equivalents (A+B+C)	12,175	1,396,779
Opening Cash and Cash Equivalents	1,772,500	375,721
Closing Cash and Cash Equivalents	1,784,675	1,772,500
As per my report on even date		
For and on behalf of Board of Directors		
R.K.Suchindra Chartered Accountant M.No. 223667	S Ragothaman Managing Director	Usha P Raikar Technical Director
Place : Bangalore Date : 7 Aug 2020		

Notes Forming part of financial statement

1. Corporate information

Bangalore Softsell Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the software development and information technology enabled services. The company caters to both domestic and international markets.

2. Basis of preparation of financial statements

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) and the relevant provisions of the Companies Act, 2013. 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 where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting standard requires a change in the accounting policy hitherto in use.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in future, actual results ultimately may differ from the estimates.

2.1 Significant Accounting Policies

a. Fixed Assets and Depreciation

Fixed assets are stated at cost less depreciation. For this purpose, cost comprises of cost of acquisition and all costs directly attributable to bringing the asset to the present condition for its intended use.

Depreciation has been provided on purchased Computers (Hardware & Software) on straight-line basis and on other assets on written down value method, at the rates specified in the Schedule II of the Companies Act, 2013, (as amended).

Patents are amortized over a period of 10 years.

b. Research and development cost

Software products developed / under development are stated at cost. Software development cost incurred on products ready for marketing are amortized equally over a period of three years or earlier based on Management's evaluation of expected sales volumes and duration of the products life cycle.

c. Revenue Recognition

Services:

Software service revenue is recognized on the basis of chargeable time or on achievement of prescribed milestones as relevant to each contract or proportionate completion method as applicable.

Interest Income:

Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

d. Foreign Currency Transactions

- I. All foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- II. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account

e. Retirement Benefits:**Defined Contribution Plan**

Company's contributions paid/payable, if any applicable to, Provident Fund, ESI and Labour Welfare fund are recognized in the profit and loss account. Company's Contribution towards Provident Fund and ESIC are based on a percentage of salary.

The gratuity has been provided in books on accrual basis. The Company has accounted provision amount based on reasonable estimates.

f. Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management best estimates of the expenditure required to settle the obligation as at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate for each such obligation.

A contingent liability is disclosed when there are possible or present obligations that may, but probably will not, require an outflow of resources, the outcome of which cannot be ascertained with reasonable certainty, unless the possibility of such outflow is remote.

g. Income Taxes

Provision for tax for the year comprises of current tax and deferred tax. Current tax provision is measured by the amount of tax expected to be paid on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws.

Deferred tax liability is provided in respect of reversible timing differences. Deferred tax assets arising on account of reversible timing differences are recognized only to the extent there is reasonable certainty of realization of such assets. Deferred tax assets relating to unabsorbed tax losses and unabsorbed tax depreciation are recognized only if, and to the extent, there is virtual certainty of realization of such assets. Deferred tax accounting, initially done at the tax rates legislated and expected to prevail at the relevant time, is reviewed and adjusted at each subsequent Balance Sheet date.

In the absence of convincing evidence that there will be sufficient taxable profit against which the deductible temporary differences and unabsorbed tax losses can be realized, a deferred tax asset/Liability is not recognized in the books of accounts.

Deferred tax asset has not been created for uncertainty in virtual realization of such assets due to uncertain future conditions. Deferred tax liability if any is expected to be netted off against the Deferred tax assets in the Books.

Earnings per share

Basic earnings per share (EPS) are calculated by dividing the net profit after tax for the year (including the post-tax effect of extraordinary items, if any) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted of the beginning of the year, unless they have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares. The number of shares and *potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate*

2.2 Impact of COVID-19

With a view to ensure social distancing and to prevent the spread of COVID-19, lockdown was declared through an Order passed by the National Disaster Management Authority under the Disaster Management Act, 2005. This has impacted on the company billing days/hrs of manpower, hence there is deferment of revenue. As per order the employer is required to pay full remuneration to the employees in the lockdown period, this leads to increase in cost with compared to revenue.

3. Share capital

Particulars	As At 31.03.2020	As At 31.03.2019
a. Authorised Shares		
110,000,000 Equity Shares of Rs.5/- each	5,50,00,000	5,50,00,000
b. Issued, Subscribed and Fully Paid up Shares		
9,909,100 Equity Shares of Rs.5/- each	4,95,45,500	4,95,45,500

c. Reconciliation of shares outstanding at the beginning and at the end of the reporting Period.

Equity Shares	31.03.2020		31.03.2019	
	Nos	Amt (Rs)	Nos	Amt (Rs)
At the beginning of the year	99,09,100	4,95,45,500	99,09,100	4,95,45,500
Outstanding at the end of the year	99,09,100	4,95,45,500	99,09,100	4,95,45,500

d. Details of Shareholders holding more than 5 % shares in the Company

Sl.No	Name of the Shareholder	As at 31st March, 2020		As at 31st March, 2019	
		No.of Shares held	Percentage of Holding	No.of Shares held	Percentage of Holding
1	S. Ragothaman	23,54,570	23.76%	23,54,570	23.76%
2	Bangalore softsell Employee Welfare Trust	8,70,000	8.80%	8,70,000	8.80%

e. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.5 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f. Shares reserved for Issue under options

There are no shares reserved for issue under options.

g. Aggregate number of Bonus shares issued, Share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the immediately preceding five years there were no shares allotted or bought back.

As per records of the company, including its register of shareholders/members and information provided by the registrars, the above shareholding represents both legal and beneficial Ownerships of shares.

4. Reserves and Surplus**Securities Premium Account**

Balance as per last financial statement	6,37,30,982	6,37,30,982
Closing Balance	<u>6,37,30,982</u>	<u>6,37,30,982</u>

Surplus / (deficit) in the statement of profit and loss

Balance as per last financial statement	(9,68,43,204)	(7,71,58,601)
Profit/(Loss) for the year	<u>(93,28,812)</u>	<u>(1,96,84,603)</u>
Net Surplus / (deficit) in the statement of profit and loss	<u>(10,61,72,016)</u>	<u>(9,68,43,204)</u>

Total Reserves & Surplus	(4,24,41,034)	(3,31,12,222)
5. Long term Provisions	1,73,750	-
Provision for employee benefits	<u>1,73,750</u>	<u>-</u>
6. Trade Payables		
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.	96,180	18,314
Total	<u>96,180</u>	<u>18,314</u>
<p>There are no micro, small and medium enterprises as defined in micro, small, medium enterprises development Act 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.</p> <p>The above information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditor.</p>		
7. Short Term Provisions		
Salary Payable	3,85,148	-
Provision for Expenses	6,260	51,586
Total	<u>3,91,408</u>	<u>51,586</u>
8. Other Current Liabilities		
Statutory payables	1,36,670	1,13,042
Rent Payable	4,86,000	14,58,000
Total	<u>6,22,670</u>	<u>15,71,042</u>

Note 9 : Fixed Assets

	Gross Carrying Value				Depreciation				Net Carrying Value	
	As at 4/1/2019	Additions / (Deletion)	Other adjustment	As at 3/31/2020	Upto 4/1/2019	For the Period	Other adjustments	As at 3/31/2020	As at 3/31/2020	As at 3/31/2019
Tangible Assets										
Computers	2,021,755 (1,907,348)	77,119 (114,407)	- -	2,098,873 (2,021,755)	1,909,612 (1,907,348)	18,034 (2,264)	- -	1,927,646 (1,909,612)	171,227 (112,143)	112,143 -
Others Equipments	1,246,096 (1,246,096)	- -	- -	1,246,096 (1,246,096)	1,177,217 (1,176,147)	1,208 (1,070)	- -	1,178,425 (1,177,217)	67,671 (68,879)	68,879 (69,949)
Furnitures & Fixtures	1,382,279 (1,382,279)	- -	- -	1,382,279 (1,382,279)	1,371,115 (1,370,185)	1,138 (930)	- -	1,372,253 (1,371,115)	10,025 (11,164)	11,164 (12,094)
Vehicles	1,396,642 (1,396,642)	- -	- -	1,396,642 (1,396,642)	1,374,623 (1,374,623)	- -	- -	1,374,623 (1,374,623)	22,019 (22,019)	22,019 (22,019)
Total	6,046,772	77,119	-	6,123,890	5,832,567	20,380	-	5,852,947	270,942	214,205
Previous Year	(5,932,365)	(114,407)	-	(6,046,772)	(5,828,303)	(4,264)	-	(5,832,567)	(214,205)	(104,062)
Intangible Assets										
Total	-	-	-	-	-	-	-	-	-	-
Previous Year	69,894,504	-	-	69,894,504	69,894,504	-	-	69,894,504	-	-

10. Long Term Loans and advances

Security Deposits	7,16,000	7,16,000
Loans and advances to related parties	16,26,028	22,21,220
Advances recoverable in cash or kind	-	1,16,96,160
Total	23,42,028	1,46,33,380

11. Trade Receivables

Unsecured considered good	24,49,837	12,28,569
Total	24,49,837	12,28,569

12. Cash and Bank Balances

Balances with Bank :	7,79,064	17,56,389
Cash on hand	5,611	16,111
Sub Total	7,84,675	17,72,500
Bank Deposits with more than 12 months maturity	10,00,000	-
Sub Total	10,00,000	-
Total	17,84,675	17,72,500

13. Other current assets

Balances with Statutory authorities	3,26,631	2,25,567
Unbilled Revenue	12,05,532	-
Accrued interest on FD	8,829	-
	15,40,992	2,25,567

14. Revenue from operation

Revenue from Software Services		
- Domestic	28,30,645	22,83,835
- Export	61,56,098	22,89,333
	89,86,743	45,73,168

15. Other Income

Interest Income	1,42,628	1,33,599
Liability Written Back		51,221
	1,42,628	1,84,820

16. Employee Benefit Expenses

Salaries, wages, bonus and allowances	51,64,002	26,99,945
	51,64,002	26,99,945

17. Other Expenses

Rent	5,40,000	5,40,000
Power	24,394	7,600
Legal, Professional fees	4,25,941	1,37,000
Auditor Remuneration	50,000	50,000
Travelling and Conveyance	1,00,141	3,87,848
Communication Cost	53,038	65,374
Repairs & Maintenance	96,515	1,30,426
Bank charges	8,779	7,660
Rates & Taxes	45,784	9,000
Net (Gain)/Loss on foreign currency	1,51,725	21,534
Miscellaneous Expenses	81,324	1,08,748
	15,77,641	14,65,190

18. Capital Commitments and Contingent Liabilities

Particulars	As At March 31, 2020	As at March 31, 2019
Estimated amount of Unexecuted capital contracts (net of advances and deposits)	Nil	Nil
Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favor of various government authorities and others	Nil	Nil
Claims against the Company not acknowledged as debts	Nil	Nil

a) Expenditure in Foreign Currency

Nil

Nil

b) Earnings in Foreign Currency

Revenue from Software Services

61,56,098

22,89,333

19. Segment Reporting

The Company's operation comprises of only one segment of Software Services. All the Assets and Liabilities are attributable to the same segment. Hence no separate primary / secondary segmental disclosures are given.

20. Related Party Transactions

The list of related parties and nature of their relationship as stated below :

A. Names of related parties and description of relationship :

- Key management personnel: a. Mr. S. Ragothaman – Managing Director
b. Mrs. Usha P. Raikar – Technical Director

[List of related parties is as identified by Management and relied upon by Auditor].

B. Transactions during the year :

	2019-20	2018-19
Housing Loan Outstanding		
S Ragothaman	16,27,028	22,21,220
	16,27,028	22,21,220
Salaries (Including Perquisites)		
S Ragothaman	7,80,000	7,30,000
Usha P Raikar	12,00,000	9,00,000
	19,80,000	16,30,000

21. Operating Leases

The Company has operating lease for office facility. Rental expenses for operating leases included in the statement of profit and loss for the year is Rs.540,000.

As of 31stMarch 2020 there are no future minimum lease payments under non-cancellable operating leases.

22. Earnings Per Share

	2019-20	2018-19
Profit / (Loss) attributable to equity shareholders (Rs.)	(93,28,812)	(1,96,84,604)
Weighted average number of Equity Shares of Rs.5/- each	9909100	9909100
Earnings Per Share - Basic & Diluted (Rs.)	(0.94)	(1.99)

23. Previous year's figures have been regrouped, wherever necessary, to conform to current year's classifications.

R.K.Suchindra
Chartered Accountant
M. no. 223667.

S Ragothaman Usha P Raikar
Managing Director Technical Director

Place : Bangalore
Date : 07 Aug 2020

Company Information	
Board of Directors & Key Managerial Persons	
Mr Subbian Ragothaman	Managing Director & Chairman
Mrs Usha Prashanth Raikar	Whole time director
Mr S Srinivas	Non Executive Director
Statutory Auditor	Registrar & Share Transfer Agent
Mr R K Suchindra Chartered Accountants #428/A Badari 4 Main, BSK I Stage I Block Srinagar, Bangalore 560050	KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32 Financial District Nanakramguda Serilingampally Mandal Hyderabad - 500032 India
Bankers	Registered Office
Union Bank, Padmanabha Nagar, Bengaluru IFSC CORP 0000704 AXIS Bank 507/508 8 Cross 7 Block Jayanagar Bangalore 560082	334/22 I Floor, I Main, 41 Cross, 8 Block Jayanagar, Bangalore 560070 www.bangaloresoftsell.com mail@bangaloresoftsell.com CIN: U85110KA1986PLC008020 ISIN: INE 383B 01010