

**Form No. MR-3**  
Secretarial Audit Report

(For the Financial Year ending on 31<sup>st</sup> March 2019)  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Board of Directors  
Virtualsoft Systems Ltd

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Virtualsoft Systems Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period ended on 31<sup>st</sup> March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Virtualsoft Systems Limited** ("The Company") for the period ended on 31<sup>st</sup> March 2019 according to the provisions of:
  - I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
  - II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made there under;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company :-
    - 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 (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e. 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;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- h. The Memorandum and Articles of Association.

**I have also examined compliance with the applicable clauses of the following:**

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

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

**2. I 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. The changes in the composition of the Board of Directors or their committee's 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.

\_ Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However, no such instance was applicable as explained to me.

\_ The Company has obtained all necessary approvals under the various provisions of the Act as explained to me; and

\_ There were no prosecutions initiated against the directors or the company. However penalty was imposed by Bombay Stock Exchange during the year under review for delay in filing Results to BSE. No other penalty/fine/prosecution was imposed or initiated under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

\_ The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

**3. I further report that:**

a. As per information & declaration received from the management, the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited;

b. As per information & declaration received from the management, the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

c. As per information & declaration received from the management, the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

4. **I further report** that based on the information received and records maintained 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.

For SJK & Co.



(Sanjeev K Jha)

Company Secretary

FCS-8690, CP No: 9870

Dated 30<sup>th</sup> May 2019 at New Delhi