

**INFRONICS SYSTEMS LIMITED**

**19<sup>TH</sup> ANNUAL REPORT**

**2018-2019**



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. M. V. S Ramesh Varma	-	Director (DIN: 06680580)
Mrs. N. Satyavathi	-	Director (DIN: 06361271)
Mr. K. Srinivasa Rao	-	Director (DIN: 06465192)

### **CHIEF FINANCIAL OFFICER**

Siddantapu Enmanuel Raju

### **REGISTERED OFFICE**

Plot No.16, Srila Realty Layout,  
Near Landmark Towers,  
Madinaguda, Miyapur, Serilingampally Mandal,  
Hyderabad-500049, Telangana.

### **STATUTORY AUDITORS**

Chanamolu & Co.  
Chartered Accountants,  
Somajiguda, Hyderabad

### **INTERNAL AUDITOR**

M/s. Bandaru & Associates.,  
Chartered Accountants,  
Hyderabad

### **SECRETARIAL AUDITOR**

M/s. Sambhu Prasad M & Associates  
Practicing Company Secretaries  
49-9-10, Lalitha Nagar,  
Akkayyapalem, Visakhapatnam,  
Andhra Pradesh - 530016

### **CORPORATE IDENTITY NUMBER**

L72200TG2000PLC033629

### **AUDIT COMMITTEE**

1. Mr. K. Srinivasa Rao -Chairman
2. Mr. M.V.S. Ramesh Varma -Member
3. Mrs. Namburu Satyavathi -Member

### **NOMINATION & REMUNERATION COMMITTEE**

1. Mr. K. Srinivasa Rao -Chairman
2. Mr. M.V.S. Ramesh Varma -Member
3. Mrs. Namburu Satyavathi -Member

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

1. Mr. K. Srinivasa Rao -Chairman
2. Mr. M.V.S. Ramesh Varma -Member
3. Mrs. Namburu Satyavathi -Member

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s. Aarthi Consultants Private Limited  
1-2-285, Near Gaganmahal Nursing Home,  
Street No 7, Domalguda, Hyderabad-500029.  
Ph: 040-27638111/27634445, Fax: 040-27632184  
Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)

**LISTED AT**

BSE Limited.  
Ahemdabad Stock Exchange

**DEMAT ISIN NUMBER IN NSDL& CDSL:**

INE463B01036

**WEBSITE:** [www.infronics.com](http://www.infronics.com)

**INVESTOR E-MAIL ID:** [info@infronics.com](mailto:info@infronics.com)

## **NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of the Shareholders of M/s. Infronics Systems Limited will be held on Monday, the 30<sup>th</sup> day of September 2019 at 10.30 a.m at the registered office of the company at Plot No. 16, 1st Floor, Srila Realty Layout, Madinaguda, Miyapur, Serilingampally Mandal, Hyderabad - 500049 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.

### **SPECIAL BUSINESS:**

2. **CHANGE IN DESIGNATION OF MR. M.V.S RAMESH VERMA FROM NON-EXECUTIVE TO EXECUTIVE DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to Section 152 and all other applicable provisions of the Companies Act, 2013 (“ Act” ) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) and based on recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to change the designation of Mr. M.V.S Ramesh Verma (DIN: 06680580) from Non-Executive Director to Executive Director of the Company w.e.f 14.08.2019 and at a remuneration as prescribed in Section 197 read with Schedule V of the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

For and on behalf of the Board of  
Infronics Systems Limited

Place: Hyderabad  
Date: 14.08.2019

Sd/-  
M.V.S. Ramesh Varma  
Director  
(DIN: 06680580)

## **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
- 2.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
- 3.** The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2019 to 30.09.2019 (Both days inclusive).
- 4.** Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
- 5.** Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
- 6.** Corporate Members are requested to send to the Company' s Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
- 7.** In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
- 8.** Shareholders can also cast their vote using CDSL' s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store.

IPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Aarathi Consultants Pvt. Ltd.)
10. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
11. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s. Aarathi Consultants Pvt. Ltd.**, Share Transfer Agents of the Company for their doing the needful.
12. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
13. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
14. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. Electronic copy of the Annual Report for the financial year 2018-2019 is being sent to all the members whose email IDs are registered with the Company/Depository

Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-2019 is being sent in the permitted mode.

**16.** Members may also note that the Notice of the 19<sup>th</sup> Annual General Meeting and the Annual Report for financial year 2018-2019 will also be available on the Company' s website [www.infronics.com](http://www.infronics.com) for their download. The physical copies of the aforesaid documents will also be available at the Company' s Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company' s investor email id: [info@infronics.com](mailto:info@infronics.com).

**17.** SEBI has decided that securities of the listed companies can be transferred only in dematerialized form which effective from cut-off date being 05.12.2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

### **18. Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 19<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) Limited (CDSL).

The instructions for e-voting are as under:

#### **(A) In case of members receiving e-mail:**

- i. The voting period begins on 27.09.2019 at 9.00 A.M. and ends on 29.09.2019 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (23.09.2019) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

iii. Click on Shareholders.

iv. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. 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.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li></ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"><li>• 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 as mentioned in instruction (iv).</li></ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for INFRONICS SYSTEMS LIMITED.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. 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.

**(II) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**

A. Please follow all steps from sl. no. (ii) to sl. no. (xvii) above, to cast vote.

- 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.

- 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).
- 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.
- 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.
- 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.

B. The voting period begins on 27.09.2019 at 9.00 A.M. and ends on 29.09.2019 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 23.09.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

C. 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).

**19.**The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.09.2019.

**20.**M/s. Sambhu Prasad M & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in accordance with the law.

**21.**The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer' s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

**22.**The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer' s Report shall be placed on the Company' s

website [www.infronics.com](http://www.infronics.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

**23.**The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board of  
Infronics Systems Limited

Place: Hyderabad  
Date: 14.08.2019

Sd/-  
M.V.S. Ramesh Varma  
Director  
(DIN: 06680580)

**Explanatory Statement  
(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 2:**

**CHANGE IN DESIGNATION OF MR. M.V.S RAMESH VERMA FROM NON-EXECUTIVE TO EXECUTIVE DIRECTOR OF THE COMPANY:**

Mr. M.V.S Ramesh Verma was appointed as Non-Executive and Independent Director in the Annual General Meeting held on 30.09.2018.

The Nomination & Remuneration Committee and the Board of Directors in their respective meetings held on 14.08.2019 considering the vast experience of Mr. M.V.S Ramesh Verma in Software Industry and in management of the Company has decided to avail his service on regular basis as Mr. M.V.S Ramesh Verma expressing his willingness to act as Executive Director of the Company.

Hence, the Board of Directors have proposed to change his designation from Non-executive to Executive Director of the Company with effect from 14<sup>th</sup> of August 2019 at a remuneration prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

The change requires the approval of shareholders in General Meeting by way of Special Resolution as per the provisions of Section 197 and other applicable provisions of the Companies Act, 2013. The Board recommends the Resolution in Item No.2 of the accompanying Notice for approval by the Members of the Company as a Special Resolution. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution.

For and on behalf of the Board of  
Infronics Systems Limited

Sd/-  
M.V.S. Ramesh Varma  
Director  
(DIN: 06680580)

Place: Hyderabad  
Date: 14.08.2019

## BOARDS' REPORT

**To the Members,  
M/s. Infronics Systems Limited**

The Directors have pleasure in presenting before you the Boards' Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2019.

### **1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFARIS:**

The performance during the period ended 31<sup>st</sup> March, 2019 has been as under:

(Rs. In Lakhs)

<b>Particulars</b>	<b>Standalone</b>	
	<b>2018-19</b>	<b>2017-18</b>
Turnover/Income (Gross)	374.38	832.15
<b>Profit before Finance charges, Depreciation and Taxation</b>	(25.39)	(10.72)
Less: Finance charges (excluding amount capitalized)	--	--
<b>Profit/ (Loss) before Depreciation and Tax</b>	(25.39)	(10.72)
Less: Depreciation	--	153.92
<b>Profit/ (Loss) Before Exceptional Item</b>	(25.39)	(164.64)
<b>Exceptional Item</b>	--	2.31
Less: Provision for taxation	--	297.67
<b>Profit after Tax</b>	(25.39)	(464.62)

### **2. MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March 2019 and the date of Board' s Report. (i.e.14.08.2019)

### **3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Board' s Report there was no change in the nature of Business.

### **4. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:**

The Company has not accepted any deposits falling within the meaning of sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review. Further, there are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

### **5. TRANSFER TO RESERVES:**

The company has not transferred any amount to reserves for the year.

### **6. DIVIDEND:**

Keeping the Company' s revival plans in mind, the Directors have decided not to recommend dividend for the year.

### **7. REVISION OF FINANCIAL STATEMENTS:**

There was no revision of the financial statements for the year under review

### **8. BOARD MEETINGS:**

The Board of Directors duly met 4 (Four) times on 29.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### **9. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation have been noticed for inefficiency or inadequacy of such

controls. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

#### **10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

#### **11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

The details of transactions/contracts/arrangements entered into by the Company with related parties as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in detail in auditors report under the head accounting policies and forms part of this Report.

#### **12. CORPORATE GOVERNANCE:**

Corporate Governance is not applicable to the company since the paid up equity share capital and net worth of the company does not exceed Rs. 10 crores and Rs. 25 crores respectively.

#### **13. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report – Annexure II.

#### **14. DIRECTORS/CEO/CFO AND KEY MANAGERIAL PERSONNEL:**

No Directors or Key Managerial Personnel have resigned during the Year.

## **15. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from Mrs. N. Satyavathi, Mr. K. Srinivasa Rao and Mr. M.V.S Ramesh Varma, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **16. COMPOSITION OF AUDIT COMMITTEE:**

**I.** The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

**II.** The terms of reference of the Audit Committee include a review of the following:

- Overview of the Company' s financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
  1. Any changes in accounting policies and practices;
  2. Qualification in draft audit report;
  3. Significant adjustments arising out of audit;
  4. The going concern concept;
  5. Compliance with accounting standards;
  6. Compliance with stock exchange and legal requirements concerning financial statements and
  7. Any related party transactions
- Reviewing the company' s financial and risk management' s policies.
- Disclosure of contingent liabilities.

- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company' s Whistle Blower Policy.

**III.** The previous Annual General Meeting of the Company was held on 29.09.2018 and Chairman of the Audit Committee, attended previous AGM.

**IV.** The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Regulation 27 of SEBI (LODR) Regulations 2015 relating to the composition of the Audit Committee.

During the financial year 2018-19, (4) four meetings of the Audit Committee were held on the 29.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mr. K. Srinivasa Rao	Chairman	NED (I)	4	4
Mr. M.V.S. Ramesh Varma	Member	NED (I)	4	4
Mrs. Namburu Satyavathi	Member	NED (I)	4	4

**NED:** Non- Executive Independent Director

## 17. STAKEHOLDERS RELATIONSHIP COMMITTEE

### A) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. K. Srinivasa Rao	Chairman	NED (I)	4	4
Mr. M.V.S. Ramesh Varma	Member	NED (I)	4	4
Mrs. Namburu Satyavathi	Member	NED (I)	4	4

### B) Powers:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

## 18. VIGIL MECHANISM:

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) of the Companies Act, 2013 and Regulation 46 of SEBI (LODR) Regulations, 2015. The same has been placed on the website of the Company.

## 19. BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance,

performance of the Directors and the working of its Committees. The Board' s functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director' s performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation procedure followed by the company is as mentioned below:

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarizing the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with

the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.

v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

## **20. DIRECTOR' S RESPONSIBILITY STATEMENT:**

**In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm 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 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 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 Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 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.

## **21. FAMILIARISATION PROGRAMMES:**

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the website of the Company.

## **22. THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:**

NIL

## **23. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

Mudunuru Software Limited and Biomof Systems Limited during the year

## **24. DETAILS IN REPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB- SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT.**

There have been no frauds reported by the auditors as per section 143 (12).

## **25. STATUTORY AUDITORS:**

The members of the company in accordance with section 139 of the Companies Act, 2013 had passed a resolution for appointment of M/s. Chanamolu & Co, as Statutory Auditors of the company for a period of 5 years in the AGM held on 29.09.2018 to

hold office up to the conclusion of 23<sup>rd</sup> Annual General Meeting of the company to be held for the financial year 2022-23.

## **26.INTERNAL AUDITORS:**

The company has appointed M/s. Bandaru & Associates as internal auditors for the Financial Year 2018-19.

## **27.SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 134(3)(f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. Sambhu Prasad M & Associates, Practicing Company Secretaries is annexed to this Report as Annexure - I

## **28.INDIAN ACCOUNTING STANDARDS**

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company will adopt Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

## **29.QUALIFICATIONS IN AUDIT REPORTS:**

### **(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor' s Report on the Accounts for the year ended March 31, 2019 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the robust growth in the industry.

**(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and the qualifications, reservations or adverse remarks (if any) except that the Company does not have a full time Company Secretary and internal auditor, the Secretarial Audit Report in Form MR-3 is annexed to the Annual Report as Annexure – I.

**30. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Since Company does not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore or more during the financial year, Section 135 of the companies Act, 2013 relating to Corporate social responsibility is not applicable and hence the company need not adopt any corporate social responsibility.

**31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans or Guarantees during the year under review.

**32. CREDIT & GUARANTEE FACILITIES:**

The Company has not availed any facilities of credit and guarantee during the year.

**33. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

**34. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with Stock Exchanges and framed the following policies which are available on Company's website i.e. [www.infronics.com](http://www.infronics.com).

**i. Board Diversity Policy****ii. Policy on preservation of Documents**

- iii. Risk Management Policy**
- iv. Whistle Blower Policy**
- v. Familiarisation programme for Independent Directors**
- vi. Anti-Sexual Harrassment Policy**
- vii. Related Party Policy**
- viii. Code of Conduct**

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

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

#### **A. Conservation of Energy:**

Your Company' s operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption:** All the Factors mentioned in Rule 8 (3) (b) Technology absorption are not applicable to the Company.

#### **C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings: Rs. NIL

Foreign Exchange Outgo: Rs. NIL

### **36. INSURANCE:**

The properties and assets of your Company are adequately insured.

### **37. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

### **38.INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

### **39.SECRETARIAL STANDARDS**

The company is in compliance with Secretarial Standards SS-1 and SS-2 issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

### **40.EVENT BASED DISCLOSURES**

During the year under review, the Company has not taken up any of the following activities:

**1. Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

**2. Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

**3. Issue of shares under employee' s stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

**4. Non- Exercising of voting rights:** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

**5. Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.

**6. Buy back shares:** The Company did not buy-back any shares during the period under review.

**7. Disclosure about revision:** Since the company did not undergo any revision, this clause is not applicable to the company for the period under review.

**8. Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

#### **41. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

Management Discussion and Analysis Report for the year under review which forms part of Annual Report pursuant to the SEBI (LODR) Regulations, 2015 as **ANNEXURE III**.

#### **42. EMPLOYEE RELATIONS**

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies(Appointment & Remuneration Of Managerial Personnel) Rules, 2014.

#### **43. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

#### **44. ACKNOWLEDGEMENTS:**

The Directors wish to place on record their appreciation of the contribution made by the employees at all levels, for the continued growth and prosperity of your Company.

The Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions, other statutory authorities like SEBI, ROC, Stock Exchanges, NSDL, CDSL, etc and shareholders of the Company for their continued support for the growth of the Company.

**For and on behalf of the Board of  
Infronics Systems Limited**

**Place: Hyderabad  
Date: 14.08.2019**

**Sd/-  
M V S Ramesh Varma  
Director  
(DIN: 06680580)**

**Sd/-  
K. Srinivas Rao  
Director  
(DIN: 06465192)**

## **CODE OF CONDUCT**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company.

**Certificate of Code of Conduct for the year 2018-19 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Infronics Systems Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2018-19.

**For and on behalf of the Board of  
Infronics Systems Limited**

**Sd/-  
S E Raju  
Chief Financial Officer**

**Place: Hyderabad  
Date: 14.08.2019**

## **CERTIFICATE BY THE CFO OF THE COMPANY**

To  
The Board of Directors  
**Infronics Systems Limited**

Dear Sir,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2019 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company' s affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company' s code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company' s internal control system.

**For and on behalf of the Board of  
Infronics Systems Limited**

**Sd/-  
S E Raju  
Chief Financial Officer**

**Place: Hyderabad  
Date: 14.08.2019**

**DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED  
SUSPENSE ACCOUNT**

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

\*\*

<b>Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.</b>	<b>No. of shareholders who approached the company for transfer of shares from suspense account during the year.</b>	<b>No. of shareholders to whom shares were transferred from suspense account during the year.</b>	<b>Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.</b>
<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

***\*\* Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.***

Note: The Company has never declared dividends since its inception and therefore there is no amount lying in unpaid/unclaimed dividend account.

**ANNEXURE I**

**FORM MR-3  
SECRETARIAL AUDIT REPORT**

**(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014)**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**To  
The Members of  
M/s. Infronics Systems Limited**

We have conducted the audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Infronics Systems Limited (hereinafter called "the Company" ). 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 Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2018 and ended 31st March, 2019, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Infronics Systems Limited ( "The Company" ) for the financial year ended on 31st March, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014;

- 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 there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
  - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act');
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year 2018-19.
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable, except yearly and event based disclosures.**
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the company has not issued any shares during the year under review.**
  - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
  - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable; **Not Applicable** as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.
  - v. 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** as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.

- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable** as the Company has not issued any debt securities during the year under review.
- vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable** as the Company has not issued any Employee Stock Options during the year under review.
- viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading regulations; The Company has framed code of conduct for regulating & reporting trading by Insiders and for fair disclosure, 2015 and displayed the same on company's Website i. e; [www.infronics.com](http://www.infronics.com) and all required disclosures from time to time as and when applicable are complied with.
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and to the company has framed the policies and
- X. conducted programmes as mentioned below and displayed the same on the company's website i.e. [www.infronics.com](http://www.infronics.com)

- Board Diversity Policy
- Policy on Preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Related Party Transaction Policy
- Familiarization programme for Independent Directors.
- Anti-Sexual Harassment Policy
- Code of Conduct

3. During the year the Company has conducted 4 Board Meetings, 4\_Audit Committee Meetings, 4 Stakeholder Committee Meetings, and 1 Independent Directors Meeting. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.

4. We further report that the Compliance by the Company of applicable financial laws, like Direct and Indirect tax laws, has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
5. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;
6. The Company has identified the following laws applicable specifically to the Company:
  - i. Information Technology Act, 2000 and the Rules made thereunder.

**OBSERVATIONS:**

(a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

(i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(v) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

(b) We further report that:

i. The company has a CFO namely Mr. S.E. Raju.

ii. The Company has not appointed a Company Secretary.

iii. The Company has appointed internal auditor' s M/s Chanamolu & Co., for the period 2018-19.

iv. The Company does not have a Managing Director/Whole-Time Director or Manager  
We further report that: -

- Adequate notice of board meeting is given to all the directors along with agenda 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 meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- 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.
- We further report that during the year under report, the Company has not undertaken any event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Sambhu Prasad M & Associates**

**Sd/-**

**Sambhu Prasad M**

**Proprietor**

**C.P. No. 11723**

**M. No. F8795**

**Place: Hyderabad**

**Date: 14.08.2019**

## **Annexure - A**

To  
The Members of  
M/s. Infronics Systems Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Sambhu Prasad M & Associates**

**Sd/-**

**Sambhu Prasad M**

**Proprietor**

**C.P. No. 11723**

**M.No. F8795**

**Place: Hyderabad**

**Date: 14.08.2019**

## ANNEXURE II

### MGT 9

#### Extract of Annual Return

As on the Financial Year 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L72200TG2000PLC033629
ii.	Registration Date	21/02/2000
iii.	Name of the Company	INFRONICS SYSTEMS LIMITED
iv.	Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company
v.	Address of the Registered office and contact details	Plot No. 16, Srila Realty Layout, Near Landmark Towers, Madinaguda, Miyapur, Serilingampally Mandal Hyderabad – Telangana - 500049
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Aarthi Consultants Private Limited 1-2-285, Near Gaganmahal Nursing Home, Street No 7, Domalguda , Hyderabad- 500029. Ph: 040-27638111/27634445, Fax: 040-27632184 Email: <a href="mailto:info@aarthiconsultants.com">info@aarthiconsultants.com</a>

#### 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: -

Sl. No	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Software Development	99831326 & 99831327	100%





i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	310657	147344	458001	5.78	300100	147344	447444	5.64	(o.14)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	429170	114117	543287	6.85	439937	113917	553854	6.99	0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	4459329	4459329	56.26	--	4459469	4459469	56.26	--
c) Others (specify)									
1. NRI	1317	374475	375792	4.74	1317	374475	375792	4.74	--

2. Employees	--	19410	19410	0.24	--	19410	19410	0.24	--
3. Clearing Members	50	--	50	0.00	--	--	--	0.00	--
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>741194</b>	<b>5114675</b>	<b>5855869</b>	<b>73.88</b>	<b>741354</b>	<b>5114615</b>	<b>5855969</b>	<b>73.88</b>	<b>--</b>
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	<b>2811786</b>	<b>5114675</b>	<b>7926461</b>	<b>100.00</b>	<b>2811846</b>	<b>5114615</b>	<b>7926461</b>	<b>100.00</b>	<b>--</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	M. MadusudanRaju	7,31,665	9.23	-	7,31,665	9.23	-	Nil
2.	Vindya Mudunuru	6,70,175	8.45	-	6,70,175	8.45	-	Nil

3.	K. Govardhana Reddy	4,08,009	5.15	-	4,08,009	5.15	-	Nil
4.	K. Vijitha	1,89,754	2.39	-	1,89,754	2.39	-	Nil
5.	D. Sreedhar Reddy	70,889	0.89	-	70,889	0.89	-	Nil

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	--	---	--	---
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc)				
	At the End of the year	--	---	--	---

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Cumulative Shareholding at during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Kanakadurga Kalidindi				
	At the beginning of the year	800055	10.09	800055	10.09
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc): Nil				
	Kanakadurga Kalidindi	800055	10.09	800055	10.09

<b>2.</b>	Namburi Suryanarayan Raju	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	470000	5.93	470000	5.93
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc): Nil				
	At the end of the year	470000	5.93	470000	5.93
<b>3.</b>	Murali Krishnam Raju Penumesta	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	400000	5.05	--	--
	Bought during the year	18915	0.23	418915	5.28
	Sold during the year	18915	0.23	400000	5.05
	At the end of the year	400000	5.05	--	--
<b>4.</b>	Sloka Holding Private Limited	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	316063	3.98	316063	3.98
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc): Nil				
	At the end of the year	316063	3.98	316063	3.98
<b>5.</b>	K. Chaitanya Verma	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	214115	2.70	214115	2.70
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc): Nil				

	At the end of the year	214115	2.70	214115	2.70
<b>6.</b>	Ramya M	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	224475	2.83	224475	2.83
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc): Nil					
	At the end of the year	224475	2.83	224475	2.83
<b>7.</b>	K Krishnam Raju	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	214115	2.70	214115	2.70
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc): Nil					
	At the end of the year	214115	2.70	214115	2.70
<b>8.</b>	G Neelima	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	200000	2.52	200000	2.52
Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc): Nil					
	At the end of the year	200000	2.52	200000	2.52
<b>9.</b>	Hari Krishna Reddy Kallam	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	174982	2.21	174982	2.21

	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc): Nil				
	At the end of the year	174982	2.21	174982	2.21
<b>10</b>	Ramesh Annam Reddy	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	150000	1.89	150000	1.89
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc): Nil				
	At the end of the year	150000	1.89	150000	1.89

**(v) Shareholding of Directors and Key Managerial Personnel: NIL**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	--	--	--	--
	At the End of the year	--	--	--	--

**V. INDEBTEDNESS**

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

Indebtedness at the beginning of the financial year	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i)Principal Amount	--	--	--	--
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	--	--	--	--

Change in Indebtedness during the financial year	--	--	--	--
Addition/ Reduction	--			
Net Change	--	--	--	--
<b>Indebtedness at the end of the financial year</b>	--	--	--	--
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	--	--		

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager:	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Remuneration to managing Director - NIL	NIL
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - Others, specify...	--	--
5.	Others, please specify	--	--
6.	Total (A)	--	--
7.	Ceiling as per the Act	--	--

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--	--	--
	Total (1)	--	--	--	--	--
	Other Non-Executive Directors · Fee for attending board / committee meetings ·commission · Others, please specify	--	--	--	--	--
	Total (2)	--	--	--	--	--
	Total (B)=(1+2)	--	--	--	--	--
	Total Managerial Remuneration	--	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--	--

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

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

	specify				
6.	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

## **Annexure – III**

### **MANAGEMENT DISCUSSION & ANALYSIS**

#### **Overview:**

We always want to look ahead and push ourselves to reinvent and reinnovate. We took this opportunity to be introspective and realised our core strengths. We do not see these restrictions as a hurdle but an opportunity to explore new markets and new fields. We believe that with over 30 years of combined management experience in the capital markets and corporate space in India enable us to be competent in this field.

#### **Opportunities and Threats:**

Any adverse change in the policies of the Government, Recession etc may further adversely affect the profitability.

The product is at once subjected to local, national and international competition.

#### **Segment –wise or product wise performance:**

100% of company revenue is being generated by Software Development.

#### **Internal Control & Adequacy:**

The company has adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition.

#### **Risk Management System:**

The company manages our business risk through strict compliance and internal control system.

#### **Risk and Concerns:**

Any adverse change in the financial services business or negative policy of Government will affect the company' s sector adversely.

#### **Outlook:**

Company is focusing on service-based activities. The company is planning to enter the management consulting and fund syndication space. We believe that with over 30 years of combined management experience in the capital markets and corporate space in India

enable the company to be competent in this field The company has decided to venture into different business through investments in subsidiaries company.

**Details of significant changes in ratio as compared to the immediately previous financial year:**

<b>Description</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Inventory Turnover Ratio</b>	19.61	43.59
<b>Interest Coverage Ratio</b>	-	-
<b>Current Ratio</b>	0.40	0.31
<b>Debt Equity Ratio</b>	(16.48)	(15.87)
<b>Operating Profit Margin (%)</b>	0.02	(0.23)
<b>Net Profit Margin (%)</b>	0.02	(0.20)

**Human Resource:**

Company has adequate trained and well experienced personnel. Our employees are highly motivated and work in line of the organizational goal.

**Details of any change in Return or Net Worth as compared to the immediately previous financial year:**

The net worth of the company for FY2018-19 is (57,46,888.00) and the net worth of for FY2017-18 is (50,98,391.00).

**Cautionary Statement:**

The statements made in this report describe the Company' s objectives and projections that may be forward looking statements within the meaning of applicable laws and regulations. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company.

## **Independent Auditors Report**

To  
The Members,  
INFRONICS SYSTEMS LIMITED

### **Report on the Ind AS financial statements**

We have audited the accompanying Ind AS financial statements of M/S.INFRONICS SYSTEMS LIMITED ( "the Company" ), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as ' Ind AS financial statements' ).

### **Management' s Responsibility for the Financial Statements**

The Company' s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ( "the Act" ) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 there under.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2019, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **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, we 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, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the statement of Cash flows and the changes in Equity dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" ; and
- (g) With respect to the other matters to be included in the Auditor' s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For CHANAMOLU & Co.,  
Chartered Accountants  
Firm Regd No. 010000S

Sd/-  
G MURALI  
Membership No. 234971

Place:  
HYDERABAD  
Date: 30.05.2019

### **Annexure – A to the Independent Auditors' Report:**

The Annexure referred to the Independent auditors' report to the members of the company on the Ind AS financial statements for the year ended 31 March 2019, we report that

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us, the company does not have any immovable property hence paragraph 3 (i)(c) of the Companies (Auditor's Report) Order, 2016 is not applicable.

The inventory has been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification and have been properly dealt with in the books of account.

The Company has granted loans, secured or unsecured of Rs. 5,05,74,061 to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.

In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or cess as at 31<sup>st</sup> March, 2019 which have not been deposited on account of a dispute.

The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.

According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

The company has not paid or provided any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of equity share converted in to equal number equity shares of the company. The requirement of Section 42 and all the other applicable provisions of the Companies Act, 2013 and SEBI Regulations were complied with.

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For CHANAMOLU & Co.,  
Chartered Accountants  
Firm Regd No. 010000S

Sd/-  
G MURALI  
Membership No. 234971

Place: HYDERABAD  
Date: 30.05.2019

### **Annexure - B to the Independent Auditors' Report:**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ( "the Act" )**

We have audited the internal financial controls over financial reporting of M/S INFRONICS SYSTEMS LIMITED ( "the Company" ) as of 31st March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management' s Responsibility for Internal Financial Controls**

The Company' s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ( 'ICAI' ). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that

were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company' s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India For CHANAMOLU & Co.,  
Chartered Accountants  
Firm Regd No. 010000S

Sd/-  
G MURALI  
Membership No. 234971

Place:  
HYDERABAD  
Date: 30.05.2019

**INFRONICS SYSTEMS LIMITED**  
**Plot No. 16, Srila Realty Layout, Near Landmark Towers, Madinaguda, Miyapur**  
**Serilingampally Mandal Hyderabad TG 500049 IN**  
**BALANCE SHEET AS AT 31st MARCH 2019**

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I</b>	<b><u>ASSETS:</u></b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	-	-
	(b) Capital work-in-progress		-	-
	(c) Goodwill		-	-
	(d) Other Intangible Assets		-	-
	(e) Intangible Assets under development		-	-
	(f) Biological Assets		-	-
	(g) Financial assets			
	(i) Investments	3	5,05,74,061	5,05,74,061
	(ii) Other Financial Assets	4	24,000	24,000
	(h) Deferred tax assets (net)		-	-
	(i) Other non-current assets	5	-	-
(2)	<b>Current assets</b>			
	(a) Inventories	6	18,96,389	19,08,929
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	7	1,86,70,387	91,68,485
	(iii) Cash and cash equivalents	8	5,67,125	21,21,334
	(iv) Bank Balances other than (iii) above		9,05,730	8,05,730
	(v) Loans and advances	9	37,86,809	18,23,721
	(vi) Investments held for Sale		-	-
	(c) Other current assets	10	1,25,07,045	93,79,861
	<b>TOTAL ASSETS</b>		<b>8,89,31,546</b>	<b>7,58,06,121</b>
<b>II</b>	<b><u>EQUITY AND LIABILITIES:</u></b>			
	<b>Equity</b>			
	(a) Equity Share Capital	11	7,92,64,615	7,92,64,615
	(b) Other Equity		-	
	(ii) Reserves and Surplus	12	8,69,02,139	(8,43,63,006)

	<b>Liabilities</b>			
(1)	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	13	-	-
	(b) Provisions	14	-	-
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	-	-
	(ii) Trade Payables	16	9,65,69,069	7,95,46,897
	(iii) Other financial liabilities		-	-
	(b) Other current liabilities	17	-	-
	(c) Provisions	18	-	13,57,616
	(d) Current tax liabilities (Net)		-	-
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,89,31,546</b>	<b>7,58,06,121</b>
	<b>Significant accounting policies and notes to accounts</b>	1 to 23		

As per our report of even date  
For Chanamolu & Co.,  
Chartered Accountants  
Firm Registration No. 010000S

for and on behalf of the Board  
for INFRONICS SYSTEMS LIMITED

Sd/-  
G MURALI  
Partner  
Membership No. 234971

Sd/-  
(MVS RAMESH VARMA)  
Director  
DIN: 06680580

Sd/-  
(K SRINIVASARAO)  
Director  
DIN: 06465192

Place : Hyderabad  
Date : 30<sup>th</sup> May 2019

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

	PARTICULARS	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I	Revenue from operations		3,74,37,623	8,32,14,834
II	Other Income	19	-	-
III	<b>Total Income (I+II)</b>		<b>3,74,37,623</b>	<b>8,32,14,834</b>
IV	<b>Expenses:</b>			
	Operating Expenses	20	3,55,61,073	7,02,83,817
	Employee Benefits Expense	21	18,78,096	30,14,000
	Depreciation and amortization expense	2	-	1,53,92,258
	Finance Cost	22	-	-
	Other expenses	23	25,37,586	1,09,89,327
	<b>Total Expenses</b>		<b>3,99,76,755</b>	<b>9,96,79,402</b>
V	Profit before exceptional and extraordinary items and tax (III - IV)		- 25,39,132	(1,64,64,568)
	-Exceptional Items		-	-
	-Prior period expenses		-	2,31,274
VI	Profit before tax		- 25,39,132	- 1,66,95,842
VII	Tax Expense			
	- Current tax		-	-
	- Deferred tax			2,97,66,874
VII	Profit for the period (V-VI)		<b>-25,39,132</b>	<b>(4,64,62,716)</b>
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		-	-
	Net changes in fair values of investments in equity shares carried at fair value through OCI		-	(1,17,20,070)

	ii) Income tax relating to items that will not be reclassified to profit & loss Other comprehensive income for the year (net of tax)			-
			-	<b>(1,17,20,070)</b>
IX	Total Comprehensive Income (VII+VIII)		<b>- 25,39,132</b>	<b>(5,81,82,786)</b>
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic		-0.32	(7.34)
	- Diluted		-0.32	(7.34)
<b>Significant accounting policies and notes to accounts</b>		1 to 23		

As per our report of even date  
For Chanamolu & Co.,  
Chartered Accountants  
Firm Registration No. 010000S

for and on behalf of the Board  
for INFRONICS SYSTEMS LIMITED

Sd/-  
G MURALI  
Partner  
Membership No. 234971

Sd/-  
(MVS RAMESH VARMA)  
Director  
DIN: 06680580

Sd/-  
(K SRINIVASARAO)  
Director  
DIN: 06465192

Place : Hyderabad  
Date : 30<sup>th</sup> May 2019

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2019**

<b>PARTICULARS</b>	<b>Year ended 31-03-2019 Amount in Rs.</b>	<b>Year ended 31-03-2018 Amount in Rs.</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	(25,39,132)	(1,66,95,842)
<b>Adjustment for:</b>		
Depreciation and Amortization	-	1,53,92,258
Preliminary Expenses Written off	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(25,39,132)	(13,03,584)
<b>Movements in Working Capital::</b>		
(Increase)/ Decrease in trade receivables	(95,01,902)	2,44,08,143
(Increase)/Decrease in other Current Assets	(31,27,184)	9,53,631
(Increase) / Decrease in Inventories	12,540	4,39,14,871
	-	
(Increase) / Decrease in Loans and Advances	19,63,087	4,37,48,226
(Increase) / Decrease in Trade Payables	1,70,22,172	(6,84,38,003)
(Increase) / Decrease in Short Term Provision	(13,57,616)	-
Increase/(Decrease) in Other current liabilities	-	(5,01,41,966)
<b>Change in Working Capital</b>	<b>10,84,923</b>	<b>(55,55,097)</b>
<b>Changes in non current assets and liabilities</b>		
Decrease/(Increase) in loans & advances	-	<b>81,75,339</b>
Decrease/(Increase) in Long Term Provisions	-	<b>(95,909)</b>
Decrease/(Increase) in Other non Current Assets	-	-
<b>Changes in non current assets and liabilities</b>	-	<b>80,79,430</b>
<u>Cash Generated From Operations</u>	(14,54,209)	12,20,749
Less: Taxes paid	-	-
<b>Net Cash from operating activities(A)</b>	<b>(14,54,209)</b>	<b>12,20,749</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Fixed assets and Capital Work In progress	-	-
Bank Balances not considered as Cash and Cash equivalents	-	-
Investment in equity Shares	-	-

<b>Net cash used in Investing activities (B)</b>	-	-
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Share Capital	-	-
Increase / (Decrease) in Borrowings	-	-
Interest paid	-	-
<b>Net cash Flow from Financing Activities ( C )</b>	-	-
<b>Net Increase/(Decrease) in cash &amp; cash equivalents [A+B+C]</b>	(14,54,209)	12,20,749
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	29,27,064	17,06,315
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>14,72,855</b>	<b>29,27,064</b>

As per our report of even date  
For Chanamolu & Co.,  
Chartered Accountants  
Firm Registration No. 010000S

for and on behalf of the Board  
for INFRONICS SYSTEMS LIMITED

Sd/-  
G MURALI  
Partner  
Membership No. 234971

Sd/-  
(MVS RAMESH VARMA)  
Director  
DIN: 06680580

Sd/-  
(K SRINIVASARAO)  
Director  
DIN: 06465192

Place : Hyderabad  
Date : 30<sup>th</sup> May 2019

## **INFRONICS SYSTEMS LIMITED**

### **Notes to accounts**

#### **1. Significant Accounting Policies & Notes annexed to and forming part of the financial Statements**

##### **1.1. Basis for preparation of financial statements:**

###### **a) Compliance with Indian Accounting Standards (Ind As)**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013. Up to the year ended March 31, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

The same accounting policies have been applied for all the periods presented except when the company has made use of certain exceptions.

The financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company' s normal operating as per the Company' s normal operating cycle and other criteria set out in the schedule III of the Act. The Company has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded – off to the nearest rupees, unless otherwise indicated.

###### **c) Use of estimates and judgment**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

## **1.2. Property, Plant and Equipment & Depreciation**

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### **1.3 Impairment of non-financial assets**

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### **1.4 Intangible assets**

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

## **1.5 Inventory**

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower

## **1.6 Foreign currencies transactions and translations**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

## **1.7 Provisions**

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (other than employee benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## **1.8 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable.

### **Interest Income**

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

## **1.9 Dividend Income**

Dividends will be recognised when the company's right to receive has been established

## **1.10 Employee benefits**

### **1.10.1 Short term employee benefits**

The undiscounted amount of short term employee benefits are expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### **1.10.2 Defined benefit plans**

#### **a) Provident fund**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

#### **b) Employee State Insurance Fund**

Eligible employees (whose gross salary is less than ` 15,000 per month) are entitled to receive benefit under employee state insurance fund scheme. The employer makes contribution to the scheme at a predetermined rate (presently 4.75%) of employee's gross salary. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. Monthly contributions are charges to income in the year it is incurred.

## **1.11 Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is

measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

## **1.12 Leases**

Leases are classified as finance lease whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

## **1.13 Borrowing costs**

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

## **1.14 Earnings per equity share**

### **(i) Basic earnings per share**

Basic earnings per share are calculated by dividing:

- The profit attributable to owner of the company.
- By the weighted number of equity shares outstanding during the financial year

### **(ii) Diluted earnings per share**

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

## **1.15 Financial Instruments**

### **i. Financial assets**

#### **A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

#### **a) Financial assets carried at amortized cost (AC)**

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

#### **b) Financial assets at fair value through profit or loss (FVTPL)**

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

#### **c) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash flows and selling financial assets and the

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **B. Investments in subsidiaries**

The Company has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

### **ii. Financial Liabilities**

#### **A. Initial recognition**

All financial liabilities are recognized at fair value.

#### **B. Subsequent measurement**

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

### **Statement of Changes in Equity For the year ended 31 March 2019**

#### **a. Equity share capital**

(Amount in Rs.)

	<b>Amount</b>
<b>Balance as at the 1 April 2017</b>	<b>7,92,64,615</b>
Changes in equity share capital during 2017-18	-
<b>Balance as at the 31 March 2018</b>	<b>7,92,64,615</b>
Changes in equity share capital during 2018-19	-
<b>Balance as at the 31 March 2019</b>	<b>7,92,64,615</b>

**b. Other Equity**

	Reserves and surplus				Items of (OCI)	Total
	General Reserve	Capital Reserve	Securities Premium Reserve	Retained earnings	Others	
<b>Balance at 1 April 2017</b>	-	-	10,18,76,228	(12,80,56,449)	-	(2,61,80,221)
<b>Total comprehensive income for the year ended 31 March 2018</b>						
Profit or loss				(5,81,82,786)	-	(5,81,82,786)
Other comprehensive income (net of tax)				-	-	-
<b>Total comprehensive income</b>			-	(5,81,82,786)	-	(5,81,82,786)
<b>Transactions with owners in their capacity as owners directly in equity</b>	-		-	-	-	-
<b>Balance at 31 March 2018</b>	-	-	10,18,76,228	(18,62,39,234)	-	(8,43,63,006)
<b>Total comprehensive income for the year ended 31 March 2019</b>						
Profit or loss				(25,39,132)	-	(25,39,132)
Other comprehensive income (net of tax)				-	-	-
<b>Total comprehensive income</b>	-		-	(25,39,132)	-	(25,39,132)
<b>Transactions with owners in their capacity as owners</b>	-		-	-	-	-
<b>Balance at 31 March 2019</b>	-	-	10,18,76,228	(18,87,78,367)	-	(8,69,02,139)

**NOTE NO. 2: PROPERTY, PLANT AND EQUIPMENT:**

	<b>Computers</b>	<b>Furniture and Fixtures</b>	<b>Lab Equipment</b>	<b>Tools &amp; Spares</b>	<b>Vehicles</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Deemed cost (gross carrying amount)</b>							
Balance at 1 April 2016	4,77,78,077	2,75,24,140	83,466	1,01,816	39,06,625	65,70,810	8,59,64,934
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>4,77,78,077</b>	<b>2,75,24,140</b>	<b>83,466</b>	<b>1,01,816</b>	<b>39,06,625</b>	<b>65,70,810</b>	<b>8,59,64,934</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>4,77,78,077</b>	<b>2,75,24,140</b>	<b>83,466</b>	<b>1,01,816</b>	<b>39,06,625</b>	<b>65,70,810</b>	<b>8,59,64,934</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>4,77,78,077</b>	<b>2,75,24,140</b>	<b>83,466</b>	<b>1,01,816</b>	<b>39,06,625</b>	<b>65,70,810</b>	<b>8,59,64,934</b>
<b>Accumulated depreciation at 1 April 2016</b>	4,17,53,927	1,44,82,852	69,141	36,806	30,27,352	62,65,286	6,56,35,363
Depreciation for the year	11,25,082	31,53,386	13,644	7,236	4,47,123	1,90,844	49,37,314
<b>Balance at 31 March 2017</b>	<b>4,28,79,009</b>	<b>1,76,36,237</b>	<b>82,785</b>	<b>44,042</b>	<b>34,74,475</b>	<b>64,56,129</b>	<b>7,05,72,676</b>
Depreciation for the year	48,99,068	98,87,903	681	57,774	4,32,150	1,14,681	1,53,92,258
<b>Balance at 31 March 2018</b>	<b>4,77,78,077</b>	<b>2,75,24,140</b>	<b>83,466</b>	<b>1,01,816</b>	<b>39,06,625</b>	<b>65,70,810</b>	<b>8,59,64,934</b>

Depreciation for the year	-	-	-	-	-	-	-
<b>Balance at 31 March 2019</b>	4,77,78,077	2,75,24,140	83,466	1,01,816	39,06,625	65,70,810	8,59,64,934
<b>Carrying amounts(net)</b>							
<b>At 1 April 2016</b>	60,24,150	1,30,41,288	14,325	65,010	8,79,273	3,05,524	2,03,29,571
<b>At 31 March 2017</b>	48,99,068	98,87,903	681	57,774	4,32,150	1,14,681	1,53,92,258
<b>At 31 March 2018</b>	-	-	-	-	-	-	-
<b>At 31 March 2019</b>	-	-	-	-	-	-	-

**NOTE NO: 3 NON CURRENT INVESTMENTS:**

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
<b>(A) Investment In Subsidiary Company carried at Cost</b> (investment in 100% foreign subsidiary) Infronics Inc., USA ( Valued at Fair Value)	-	-
Mobiprise Systems Ltd ( 4,66,10,996 Equity shares of Rs.1/- Each) ( Valued at Fair Value)	3,93,05,498	3,93,05,498
Zoraly Solutions Ltd (11,51,075 equity shares of Rs.10/- each) (Valued at Fair Value)	-	-
<b>(B) Investment In Other Companies carried at Cost</b>		
Biomorf Systems Ltd (1,12,68,563 equity shares of Rs.4/- each) (Valued at Fair Value)	1,12,68,563	1,12,68,563
	<b>5,05,74,061</b>	<b>5,05,74,061</b>

**NOTE NO: 4 other Non Current Financial Assets**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
<b>Capital Advances</b>		-
Security Deposits	24,000	24,000
	<b>24,000</b>	<b>24,000</b>

**NOTE NO: 5 Other non current assets**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
<b>MISCELLANEOUS EXPENDITURE</b>		
Prel & Preoperative Expenses	-	-
Less : Written off	-	-
	-	-

**NOTE NO: 6 INVENTORIES:**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
(a) Stocks	18,96,389	19,08,929
	<b>18,96,389</b>	<b>19,08,929</b>

**NOTE NO: 7 Trade receivables**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good		-
(b) Outstanding for a period not exceeding six months Unsecured, considered good	1,86,70,387	91,68,485
	<b>1,86,70,387</b>	<b>91,68,485</b>

**NOTE NO: 8 CASH AND CASH EQUIVALENTS:**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
(a) Balance with banks	1,000	15,55,209
(b) Cheques in Hand	-	-
(c) Cash on Hand	5,66,125	5,66,125
	<b>5,67,125</b>	<b>21,21,334</b>

**NOTE NO: 9 Short Term Loans and advances**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
Advance to Supplies		11,97,154
Other amounts receivable	37,86,809	6,26,567
	<b>37,86,809</b>	<b>18,23,721</b>

**NOTE NO: 10 OTHER CURRENT ASSETS:**

<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
I.T. Refund Receivable	57,53,584	57,53,584
TDS Receivable	67,53,461	36,26,277
	-	-
	<b>1,25,07,045</b>	<b>93,79,861</b>

**NOTE NO: 12 Reserves and Surplus**

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
<b>(a) Securities Premium:</b>	10,18,76,228	10,18,76,228
<b>(b) General Reserve:</b>	-	-
<b>(c') Capital Reserve - Forfeiture of shares</b>	-	-
<b>(d) Retained earnings:</b>		
Opening balance	(18,62,39,234)	(12,80,56,449)
(+) Net profit during the year	(25,39,132)	(5,81,82,786)
Closing balance	<b>(18,87,78,367)</b>	<b>(18,62,39,234)</b>
<b>(e) Other Comprehensive income:</b>	-	-
<b>Total (a+b+c)</b>	<b>8,69,02,139</b>	<b>8,43,63,006</b>

**NOTE NO: 13 Long Term Borrowings**

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Secured Term Loans form Banks (secured by fixed assets and guaranteed by directors and others)	-	-

**NOTE NO: 14 Long Term Provisions**

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Provision for Gratuity	-	-

**NOTE NO: 15 Short Term Borrowings**

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Loans repayable on demand Cash Credit from State Bank of India <b>(secured by inventories &amp; receivables and guaranteed by directors and others)</b> Unsecured Loan Sriram Finance	-	-

**NOTE NO: 16 Trade Payables**

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
<b>Dues to Micro, Small and Medium Enterprises</b>		
Dues to others		24,62,104
Sundry Creditors for Expenses	54,53,815	5,04,79,911
Sundry Creditors others	9,11,15,254	2,66,04,882
	<b>9,65,69,069</b>	<b>7,95,46,897</b>

**NOTE NO: 17 OTHER CURRENT LIABILITIES:**

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Current maturities of long term debt		-
Advances from customers		-
Other amounts payable		-
TDS Payable		-
	-	-

**NOTE NO: 18 Short Term Provisions**

PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Amount in Rs.	Amount in Rs.
Provision for Income Tax		13,57,616
	-	<b>13,57,616</b>

**NOTE NO: 9: EQUITY SHARE CAPITAL:**

PARTICULARS	As At March 31,2019		As At March 31,2018	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to ( d ) below)	79,26,461	7,92,64,615	79,26,461	7,92,64,615
<b>Total</b>	<b>79,26,461</b>	<b>7,92,64,615</b>	<b>79,26,461</b>	<b>7,92,64,615</b>

**Foot note:****(a) Reconciliation of the number of shares outstanding as at March 31, 2019, March 31, 2018, March 31, 2017 and April 1, 2016:**

PARTICULARS	As At March 31,2019		As At March 31,2018	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares outstanding at the beginning of the year	79,26,461	7,92,64,615	79,26,461	7,92,64,615
	-	-	-	-
Equity Shares outstanding at the end of the year	79,26,461	7,92,64,615	79,26,461	7,92,64,615

\*48 70,606 shares of Rs. 10 each allotted as fully paid up pursuant to contract without payment being received in cash.

**(b) Details of Shareholders holding more than 5% shares:**

PARTICULARS	As At March 31,2019		As At March 31,2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Madhusudan Raju Mudunuru	7,31,665	9.23%	7,31,665	9.23%
2 Vindhya Mudunuru	6,70,175	8.45%	6,70,175	8.45%
3 K. Govardhana Reddy	4,08,009	5.15%	4,08,009	5.15%
4 Namburi Suryanarayana Raju	4,70,000	5.93%	4,70,000	5.93%
5 Murallikrishnam Raju Penumatsa	4,00,000	5.05%	4,00,000	5.05%
6 K. Kanaka Durga	8,00,055	10.09%	8,00,055	10.09%

**(c) Terms and rights attached to the equity shares:**

The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled for one vote per share. Distribution of dividends and repayment of capital, if any, by the company, shall be subject to the provisions of applicable laws.

**NOTE NO: 19 Other Income**

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
<b>Non Operating Income</b>		
Finance Income on Deposits with bank	-	-
Others	-	-
	-	-

**NOTE NO: 20 Operating Expenses**

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
Opening Cost	19,08,929	4,58,23,803
Add: Material Purchases	3,55,48,533	2,08,18,709
Less: Closing Stock	18,96,389	19,08,929
Material Consumed	<b>3,55,61,073</b>	<b>6,47,33,584</b>
Development expenses		55,50,234
Consumables		-
	<b>3,55,61,073</b>	<b>7,02,83,817</b>

**EMPLOYEE BENEFITS****NOTE NO: 21 EXPENSE:**

<b>PARTICULARS</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
(a) Salaries & Wages	18,78,096	30,14,000
(b) Contribution to provident and other funds		-
('c) Gratuity and Leave Encashment		-
(d) Staff welfare expenses		-
	<b>18,78,096</b>	<b>30,14,000</b>

**NOTE NO: 22 Finance Cost**

<b>PARTICULARS</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
Interest on Cash Credit	-	-
Interest on Term Loans	-	-
Interest on Vehicle Loans	-	-
	-	-

**NOTE NO: 23 OTHER EXPENSES:**

PARTICULARS	Year ended March 31, 2019	Year ended March 31, 2018
	Amount in Rs.	Amount in Rs.
Professional & Consultancy	1,01,149	80,000
Equipment Hire Charges		-
Advertisement Expenses	87,152	
Travelling & Conveyance	15,000	87,739
Rent	1,36,500	3,70,288
Rates and Taxes, excluding taxes on income	1,97,418	60,61,634
Power and fuel	988	8,810
Office Maintenance	14,253	38,859
Computer Maintenance	19,200	29,244
Software Maintenance	63,337	
Vehicle Maintenance	2,48,972	2,51,099
Insurance	26,526	29,753
Staff welfare		5,961
Printing & Stationery	12,870	16,500
Postage & Telegrams		13,597
Registration, License & Filing Fee		1,48,792
Selling Expenses		43,128
Audit Fee	50,000	2,00,000
Internal Audit Fee		-
Telephone Charges		20,339
SMS Charges		-
Bank Charges	11,805	21,762
Interest on TDS	1,52,539	1,20,940
Penalty on TDS	13,99,876	
Interest & other charges on Service Tax		34,40,881
Lease Rentals		-
	<b>25,37,586</b>	<b>1,09,89,327</b>

## 22. Related Party Disclosures

As per Ind As 24 the disclosure of transactions with the related parties are given below

**a) List of Related Parties**

Subsidiary Companies	NIL
Associates Companies controlled by key management personnel / relatives who are substantially interested	NIL
Key managerial personnel	1.NAMBURU SATYAVATHI 2.KORADA SRINIVASARAO 3.MANTENA VENKATA SURYA RAMESH VARMA 4.SIDDANTAPU ENMANUEL RAJU

**23. Auditors remuneration:**

<b>PARTICULARS</b>	<b>2018-19</b> (Rupees)	<b>2017-18</b> (Rupees)
Audit Fee	2,00,000	2,00,000
<b>Total</b>	<b>2,00,000</b>	<b>2,00,000</b>

**24. Earnings per share (EPS):**

The details of number of Equity shares used in calculating Basic and Diluted earnings per share are set out below:

<b>Particulars</b>	<b>Year ended</b> <b>31-03-2019</b>	<b>Year ended</b> <b>31-03-2018</b>
Weighted average Equity shares for computing Basic EPS	7926461	7926461
Dilutive impact of Share Warrants	-	-
Weighted average Equity shares for computing Diluted EPS	7926461	7926461
Profit After Tax	6,48,496	(5,81,82,786)
Earnings per Share	0.01	(7.34)

25. The Company has not received any information from any of the supplier of their being Micro, Small and medium enterprises. Hence, the amounts due to Micro, Small and Medium enterprises outstanding as on 31-03-2019 was Rs. Nil

26. Balances in respect of trade payables, various advances and trade receivables are subject to confirmation from the respective parties.

## 27. Financial assets

<b>Financial Assets Valuation</b>	<b>Year ended 31-03-2019</b>	<b>Year ended 31-03-2018</b>	<b>Year ended 31-03-2017</b>
Non-Current Investments			
Investment in equity instruments of subsidiaries (cost)	3,93,05,498	3,93,05,498	5,10,25,568
Total Investment in subsidiaries (a)	-	-	-
Investment in equity instruments of other companies (cost) Unquoted:	1,12,68,563	1,12,68,563	1,12,68,563
<b>TOTAL (a+b)</b>	<b>5,05,74,061</b>	<b>5,05,74,061</b>	<b>6,22,94,131</b>
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments -	-	-	-
Other Financial Assets ( Non-Current) Security Deposits at (at amortised cost)	-	-	-
<b>Total non-current Financial assets</b>	<b>5,05,74,061</b>	<b>5,05,74,061</b>	<b>6,22,94,131</b>

### 27.1 Financial Risk Management

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company' s business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

### 27.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

### **27.3 Liquidity risk**

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as pre requirements. The Company' s exposure to liquidity risk is minimal.

As per our report of even date  
For Chanamolu & Co.,  
Chartered Accountants  
Firm Registration No. 010000S

for and on behalf of the Board  
for INFRONICS SYSTEMS LIMITED

Sd/-  
G MURALI  
Partner  
Membership No. 234971

Sd/-  
(MVS RAMESH VARMA)  
Director  
DIN: 06680580

Sd/-  
(K SRINIVASARAO)  
Director  
DIN: 06465192

Place : Hyderabad  
Date : 30<sup>th</sup> May 2019

**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 : L72200TG2000PLC033629  
Name of the company: INFRONICS SYSTEMS LIMITED  
Registered office : Plot No. 16, Srila Realty Layout, Near Landmark Towers,  
Madinaguda, Miyapur, Serilingampally Mandal Hyderabad -  
500049

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 the above named company, hereby appoint

1. Name : .....  
Address :\_  
E-mail Id :  
Signature: ....., or failing him

2. Name : .....  
Address:  
E-mail Id :  
Signature: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 30<sup>th</sup> day of September, 2019 at 10.30 a.m at Plot No. 16, Srila Realty Layout, Near Landmark Towers, Madinaguda,

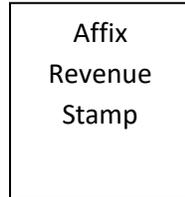
Miyapur, Serilingampally Mandal Hyderabad – 500049 and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

1. Approval of financial statements for the year ended 31.03.2019.

Signed this ..... Day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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INFRONICS SYSTEMS LIMITED  
Plot No. 16, Srila Realty Layout, Near Landmark Towers,  
Madinaguda, Miyapur, SerilingampallyMandal

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Hyderabad ATTENDANCE SLIP  
(Please present this slip at the Meeting venue)

I hereby record my presence for the 19<sup>th</sup> Annual General Meeting of the members to be held on Monday, 30<sup>th</sup> day of September, 2019 at 10.30 a.m at Plot No. 16, Srila Realty Layout, Near Landmark Towers, Madinaguda, Miyapur, Serilingampally Mandal Hyderabad -500049 and at any adjourned meeting thereof.

Shareholders/Proxy 's Signature \_\_\_\_\_

Shareholders/Proxy 's full name \_\_\_\_\_

(In block letters)

Folio No./ Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

## ROAD MAP FOR THE VENUE

