To,

Date: 06.12.2020

BSE Limited
P. J. Towers, Dalal Street
Mumbai - 400 001

Dear Sir/ Madam,

Sub: Annual report for the year 2019-20

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

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2019-20 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as sent to the shareholders for the ensuing AGM to be held on 29.12.2020.

This is for the information and records of the exchange, please.

Thanking you.

Yours faithfully,
For Infronics Systems Limited

K. Jagannadha Raju
Whole-time Director
DIN: (06411509)

INFRONICS SYSTEMS LIMITED

20TH ANNUAL REPORT

2019-2020

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. K. Jagannadha Raju*	-	Wholetime Director (06411509)
Mr. M. V. S Ramesh Varma	-	Executive Director (DIN: 06680580)
Mrs. N. Satyavathi	-	Independent Director (DIN: 06361271)
Mr. K. Srinivasa Rao	-	Independent Director (DIN: 06465192)

*Appointed w.e.f 14.02.2020

CHIEF FINANCIAL OFFICER

Siddantapu Enmanuel Raju

REGISTERED OFFICE

Plot No: 866, 4th Floor, K Complex,
Ayyappa Society, Madhapur
Hyderabad – 500081, Telangana

STATUTORY AUDITORS

V. Ravi & Co.
Chartered Accountants,
Somajiguda, Hyderabad

INTERNAL AUDITOR

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

SECRETARIAL AUDITOR

Ms. Aakanksha
Practicing Company Secretary
Plot No. 8-2-603/23/3 & 8-2-603/23, 15,
2nd Floor, HSR Summit, Banjara Hills,
Road No. 10, Beside No. 1 News Channel
office, Hyderabad - 500034

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. 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

LISTED AT

BSE Limited.
Ahemdabad Stock Exchange

DEMAT ISIN NUMBER IN NSDL& CDSL:

INE463B01036

WEBSITE: www.infronics.com

INVESTOR E-MAIL ID: info@infronics.com

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Shareholders of M/s. Infronics Systems Limited will be held on Tuesday, the 29th day of December 2020 at 11.00 a.m through video conferencing and other audio-visual means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020, 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.

2. To appoint a director in place of Mr. M.V.S Ramesh Varma (DIN: 06680580) who retires by rotation and being eligible, offers himself for re-appointment.

3. To Re-appoint M/s. V. Ravi & Co., Chartered Accountants, Hyderabad as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the 25th Annual General Meeting of the Company at remuneration as may be fixed by the Board.

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to recommendation of Audit Committee, M/s. V. Ravi & Co., be and is here by appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this Annual General Meeting till the conclusion of 25th Annual General Meeting, and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2021 in consultation with Audit Committee.

SPECIAL BUSINESS:

4. **APPOINTMENT OF MR. K. JAGANNADHA RAJU AS A DIRECTOR OF THE COMPANY:**

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules') including any statutory modification(s) or re-enactment thereof, Mr. K. Jagannadha Raju who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 14, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Act and Articles of Association of the Company and who is eligible for appointment as a Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to file necessary forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

5. APPOINTMENT OF MR. K. JAGANNADHA RAJU AS A WHOLETIME DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, Consent of the members be and is hereby accorded to appoint Mr. K. Jagannadha Raju as a Whole-time Director of the Company, for a period of 5 (five) years with effect from February 14, 2020 to February 13, 2025 while the other terms and conditions of appointment including the remuneration remain unchanged and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc., within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time."

"RESOLVED FURTHER THAT in the event of losses or inadequacy of profits during her tenure the Company shall pay to Mr. K. Jagannadha Raju, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time".

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized 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."

6. TO APPROVE FOR CONTINUATION OF CURRENT TERM OF MR. K. JAGANNADHA RAJU AS A WHOLETIME DIRECTOR OF THE COMPANY:

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

RESOLVED THAT pursuant to the provisions of Section 196 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules') including any statutory modification(s) or re-enactment thereof, consent of the members of the Company be and is hereby accorded to continue Mr. K. Jagannadha Raju, who shall attained the age of 70 years on 01.06.2021 and shall appointed as Wholetime Director by special resolution in this Annual General Meeting to hold office till five consecutive years for a term from February 14, 2020 to February 13, 2025."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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."

7. RE-APPOINTMENT OF MRS. NAMBURU SATYAVATHI AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or reenactment thereof for the time being in force), Consent of the Members of the Company be and is hereby accorded for re-appointment of Mrs. N. Satyavathi whose current period of office expires on 29th September, 2020 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the LODR Regulations, as amended from time to time, and who is eligible for re-

appointment for a second term and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company w.e.f. 30th September, 2020 to 29th September, 2025."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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

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

Place: Hyderabad
Date: 03.12.2020

Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Ordinary/Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.

2. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the Directors seeking appointment/ re-appointment at the AGM, form part of this Notice.

3. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 23.12.2020 to 29.12.2020 (Both days inclusive).

4. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e- voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional

Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.infronics.com. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com.

10. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) The voting period begins on 26.12.2020 at 09.00 A.M and ends on 28.12.2020 at 05.00 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 (record date) of 22.12.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on “Shareholders” module.

(v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both 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 (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 linked in the login should be mailed to 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.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address info@infronics.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

  If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

  All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.comor call on 022-23058542/43.

For and on behalf of the Board of
Infronics Systems Limited

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

Place: Hyderabad
Date: 03.12.2020

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

ITEM NO.3:

M/s. V. Ravi & Co., Chartered Accountants who holds office of the Statutory Auditors of the Company from the conclusion of Extra ordinary general meeting held on 04th day of November 2019 until the conclusion this Annual General Meeting and that they shall conduct the statutory audit for the period ended 31st March, 2020.

M/s. V. Ravi & Co., Chartered Accountants, Hyderabad, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the companies Act, 2013. The Auditors, if appointed, shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of 25th Annual General Meeting.

M/s. V. Ravi & Co is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with Firm Registration No. 006492S is a very experienced professional with over 20 years of practical experience. It has experienced staff to assist it in performing mission critical assignments to clients. The staff operates in a highly computerized environment and make use of the latest technologies to shorten delivery time to the client while maintaining the highest standards of quality in every assignment.

In terms of requirements of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended effective April 1, 2019, details of proposed remuneration and credentials of the Statutory Auditors are provided below:

a) It is proposed to pay remuneration of Rs.50,000/- Per annum towards statutory audit, quarterly and standalone financial results and limited review reports along with the issuance of certificates in accordance with guidelines laid down by SEBI and Companies Act, 2013 for financial year 2020- 21 and such remuneration and expenses thereafter as may be mutually agreed between the Company and the said Statutory Auditors.

b) An increase in the fees payable to M/s. V. Ravi & Co., Chartered Accountants will be determined on basis of scope of work. The Board, including relevant committee(s) thereof, shall be given the power to agree, alter and vary the terms and conditions of such appointment, remuneration etc.

Your Board of Directors recommend to pass the resolution for appointment of Statutory Auditors, as an Ordinary Resolution as set out at item no. 3 of the Notice.

None of the Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the resolution as set out in the notice.

Item No.4:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors through a Resolution passed on February 14, 2020, appointed Mr. K. Jagannadha Raju as an Additional Director of the Company with effect from February 14, 2020 and he holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. K. Jagannadha Raju as Director of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. K. Jagannadha Raju is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no.4 for the approval of the members.

Item No.5 & 6:

Appointment of Mr. K. Jagannadha Raju (DIN: 06411509) as Whole-time Director of the Company

Pursuant to the provisions of Sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, Mr. K. Jagannadha Raju who was appointed earlier as a Whole time Director of the Company in a Board Meeting held on 14.02.2020 for a period of 5 (five) consecutive years subject to approval of members in this Annual General Meeting. It also required approval of members for continuation of term of wholetime director who shall attained the age of 70 years before expiry of his term.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings and pursuant to the provisions of Sections 196, 197 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI LODR Regulations (including any statutory modification(s) or re-enactment

thereof for the time being in force), the approval of the Members of the Company be and is hereby sought for appointment of Mr. K. Jagannadha Raju (DIN: 06411509) as a Whole time Director of the Company for a term of 5 (five) years w.e.f. 14th February, 2020 to 13th February, 2025 and shall be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013 and shall continue the term after attaining the age of 70 years on 01.06.2021 before expiry of his term.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5&6.

Information in accordance with Schedule V of Companies Act, 2013:

I. General Information

S. No	Particulars			
1	Nature of Industry: IT Consulting and Software			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 2000.			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			(Amount in Rs.)
	Particulars	**2018-19**	**2017-18**	**2016-17**
	Total Turnover and Other Income	3,74,37,623	8,32,14,834	9,53,98,093
	Net Profit after Tax	(25,39,132)	(4,64,62,716)	(63,03,540)
5	Foreign investments or collaborations, if any: Not Applicable			

II. Information about the Appointee

S. No	Particulars
1	Background Details: Mr. K. Jagannadha Raju aged about 69 years who has completed his Graduation and has credit of 35 years of experience in the field of finance and banking.
2	Past Remuneration: NIL
3	Recognition or awards: NIL
4	Job Profile and his suitability: Keeping in mind the background details, past record and proficiency of Mr. K. Jagannadha Raju, the Board is of the view that he is the most suitable person for the job.
5	Remuneration proposed: There is no proposal for remuneration in the ensuing AGM. However, the Board is empowered to deal with the remunerations within the limits as prescribed in the Schedule V of the Companies Act, 2013.

6	Comparative remuneration profile with respect to industry, size of the company, profile of the position: Taking into consideration of the size of the Company, the profile of Mr. K. Jagannadha Raju and the responsibilities shouldered on her, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: NIL

ITEM NO.7:

Re-appointment of Mrs. Namburu Satyavathi as an Independent Director of the Company.

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under Mrs. N. Satyavathi was appointed at the 15th Annual General Meeting held on 30th September, 2015 as an Independent Director of the Company for a period of 5 (five) consecutive years up to 29th September, 2020. Mrs. N. Satyavathi who has completed his first term as an Independent Director of the Company on 29th September, 2020 is eligible for re-appointment for one more term of 5 years.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the LODR Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby sought for re-appointment of Mrs. N. Satyavathi as an Independent Non-Executive Director of the Company for the second term of 5 (five) years w.e.f. 30th September, 2020 up to 29th September, 2025 and she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received a declaration from Mrs. N. Satyavathi confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) of the LODR Regulations as amended from time to time. Mrs. N. Satyavathi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

Except Mrs. N. Satyavathi, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

For and on behalf of the Board of
Infronics Systems Limited

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

Place: Hyderabad
Date: 03.12.2020

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 31st March, 2020.

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

The performance during the period ended 31st March, 2020 has been as under:

(Amount in Rs.)

Particulars	**2019-20**	**2018-19**
Revenue from operation	2,06,82,776	3,74,37,623
Other income	91,612	--
Total Income	2,07,74,388	3,74,37,623
Total Expenses	(2,33,27,536)	(3,99,77,048)
Profit/ (Loss) Before Exceptional Item and Tax	(25,53,148)	(25,39,425)
Less: Exceptional Item	--	--
Less: Provision for taxation	--	--
Profit after Tax	**(25,53,148)**	**(25,39,425)**

2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments affecting financial position of the company between 31st March 2020 and the date of Board's Report. (i.e.03.12.2020)

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 5 (Five) times on 30.05.2019, 14.08.2019, 01.11.2019, 14.11.2019 and 14.02.2020 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:

There were no contracts or arrangements entered into by the company during the financial year.

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 I**.

14. DIRECTORS/CEO/CFO AND KEY MANANGERIAL PERSONNEL:

During the period under review following were the Directors/ Key Managerial Personnel resigned/appointed during the financial year 2019-20 including between the financial year ended 31st March 2020 and date of Board's report (i.e 03.12.2020):

S. No.	Name of the Directors/KMP	Designation	Appointment
1	K. Jagannadha Raju	Additional Director	14.02.2020
2	Vikas Kumar Sharma	Company Secretary	01.11.2019

Further as required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under: -

Name of the Director	K. Jagannadha Raju	Namburu Satyavathi
Date of Birth	01.06.1951	15.06.1964
Qualification	Graduate	Graduate
Expertise in specific functional areas	Banking and Finance	Finance
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Indovation Renewables Limited	--
No. of Shares held in the Company	--	--
Inter se relationship with any Director	--	--

15. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Mrs. N. Satyavathi and Mr. K. Srinivasa Rao 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 thematters 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 30.09.2019 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 2019-20, (4) four meetings of the Audit Committee were held on the 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020.

The details of the composition of the Committee and attendance of the members at the meetings 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	ED	4	4
Mrs. Namburu Satyavathi	Member	NED (I)	4	4

NED: Non- Executive Independent Director
ED: Executive 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	ED	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:

The Board of Directors has carried out an annual evaluation of its own performance, board Committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

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. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:

There were no Subsidiaries or associate companies during the financial year 2019-20.

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

There were no companies which have become or ceased to be the subsidiaries, Joint Ventures or associate companies 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 CENTRALGOVERNMENT.

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

25. STATUTORY AUDITORS:

M/s. V. Ravi & Co, was appointed as Statutory Auditor under Section 139 at the extraordinary general meeting held on 04th day of November 2019 and eligible for reappointment at this Annual General Meeting. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. V. Ravi & Co, as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the 25th Annual General Meeting.

26. INTERNAL AUDITORS:

The company has appointed M/s. Bandaru & Associates as internal auditors for the Financial Year 2019-20.

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 Ms. Aakanksha, Practicing Company Secretary is annexed to this Report as **Annexure – II.**

28. 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, 2020 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 according to the provisions of section 204 of the Companies Act 2013 and assured appropriate action shall be taken against the observations made by the Secretarial Auditor.

29. 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.

30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

31. CREDIT & GUARANTEE FACILITIES:

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

32. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

33. 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.

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

34. 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

35. INSURANCE:

The properties and assets of your Company are adequately insured.

36. 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.

37. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

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.

38. 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.

39. 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.**

40. 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.

41. 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

42. 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

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

Sd/-
K. Jagannadha Raju
Wholetime Director
(DIN: 06411509)

Place: Hyderabad
Date: 03.12.2020

ANNEXURE I

MGT 9
Extract of Annual Return
As on the Financial Year 31.03.2020
[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: 866, 4th Floor, K Complex, Ayyappa Society, Madhapur Hyderabad 500081
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: info@aarthiconsultants.com

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%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
Not Applicable					

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2070492	--	2070492	26.12	2070492	--	2070492	26.12	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other….	--	--	--	--	--	--	--	--	--
Sub-total (A) (1): -	2070492	--	2070492	26.12	2070492	--	2070492	26.12	--
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other….	--	--	--	--	--	--	--	--	--
Sub-total (A) (2): -	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	2070492	--	2070492	26.12	2070492	--	2070492	26.12	--
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	300100	147344	447444	5.64	285485	147344	432829	5.46	(0.18)

ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	439937	113917	553854	6.99	433157	113917	547074	6.90	(0.09)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3170852	1288617	4459469	56.26	3192247	1288617	4480864	56.53	0.27
c) Others (specify) 1. NRI 2. Employees	1317 --	374475 19410	375792 19410	4.74 0.24	1317 --	374475 19410	375792 19410	4.74 0.24	-- --
Sub-total B) (2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	3912206	1943763	5855969	73.88	3912206	1943763	5855969	73.88	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	5982698	1943763	7926461	100.00	2811846	5114615	7926461	100.00	--

ii) Shareholding of Promoters

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	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	M. Madhusudhan Raju	731665	9.23	--	731665	9.23	--	--
2	Vindhya Mudunuru	670175	8.45	--	670175	8.45	--	--
3	K. Govardhan Reddy	408009	5.15	--	408009	5.15	--	--
4	K. Vijitha	189754	2.39	--	189754	2.39	--	--
5	D. Sreedhar Reddy	70889	0.89	--	70889	0.89	--	--

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1		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.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Kanakadurga Kalidindi	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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.)				
	At the End of the year	800055	10.09	--	--
2	N Suryanarayana Raju	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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.)				
	At the End of the year	470000	5.93	--	--
3	P. Murali Krishnam Raju	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	400000	5.05	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	400000	5.05	--	--
4	Sloka Holdings Private Limited	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	316063	3.98	--	--
	Sold during the year	30678	0.38	285385	3.60
	At the End of the year	285385	3.60	--	--
5	K. Chaitanya Verma	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	214115	2.70	--	--
	Bought during the year	43155	0.55	257270	3.25
	At the End of the year	257270	3.25	--	--
6	Ramya M	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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.)				
	At the End of the year	224475	2.83	--	--
7	K Krishnam Raju	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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.)				
	At the End of the year	214115	2.70	--	--
8	G Neelima	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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)				
	At the End of the year	200000	2.52	--	--

9	Hari Krishna Reddy Kallam	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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)				
	At the End of the year	174982	2.21	--	--
10	Ramesh Annam Reddy	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	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)				
	At the End of the year	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**	
1		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 Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc)				
	At the End of the year	--	--	--	--

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONNEL

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	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - Others, specify…	--	--
5.	Others, please specify	--	--
	Total (A)	--	--
	Ceiling as per the Act		

B. Remuneration to other directors: NIL

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--
	Total (1)	--	--	--
2.	Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--
	Total (2)	--	--	--
3.	Total (B)= (1+2)	--	--	--
4.	Total Managerial Remuneration	--	--	--
5.	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	--	**Mr. Vikas Kumar Sharma** Rs. 1,15,000 (23,000*5)	--	**Rs. 1,15,000**
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--

4.	Commission - as % of profit - others, specify…	--	--	--	--
5.	Others, please Specify	--	--	--	--
	Total	--	**1,15,000**	--	**1,15,000**

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)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

ANNEXURE – II

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 31ST MARCH, 2020

To
The Members of
M/s. INFRONICS SYSTEMS LIMITED
Hyderabad

I have conducted the secretarial 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"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the company has, during the financial year commencing from 1st April, 2019 and ended 31st March, 2020, 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. I 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, 2020, 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;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act.

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Complied with 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 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, 2018; 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 and displayed the same on the Company's website i.e. www.infronics.com.

ix. The Securities and Exchange Board of India (Depositories and Participants) regulations, 2018;

x. Other applicable laws include the following:

- Information Technology Act, 2000
- Payment of Wages Act, 1936, and rules made there under,
- The Minimum Wages Act, 1948, and rules made there under,
- Employees' State Insurance Act, 1948, and rules made there under,
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- The Payment of Bonus Act, 1965, and rules made there under,
- Payment of Gratuity Act, 1972, and rules made there under,
- Industrial Disputes Act, 1947

I have also examined compliance with the applicable clauses of the following regulations /standards amended from time to time and as applicable to the year under review:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

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

a) During the year the company has conducted Five (5) Board meetings, Four (4) Audit committee meetings, Four (4) Stakeholder Relationship committee meetings, One (1) Nomination and Remuneration committee meeting and One (1) Independent Directors meeting. I have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company secretaries of India.

b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I 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.

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

I further report that:

i. The Company has a CFO namely Mr. Siddantapu Enmanuel Raju.

ii. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

iii. Adequate notice of board meeting is given to all the directors along with agenda 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.

iv. 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.

v. 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.

vi. During the year under review, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

I further report the following observations during the period under review:

i. Non – Composition of Nomination & Remuneration Committee as per Section 178 of the Companies Act, 2013.

ii. The Company has not appointed Company Secretary and Compliance officer till October 2019 as per Section 203 of the Companies Act, 2013 and Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, However the company has appointed Mr. Vikas Kumar Sharma has company secretary w.e.f 01.11.2019.

Aakanksha
Practicing Company Secretary
C.P. No: 20064
UDIN: A049041B001394209

Place: Hyderabad
Date: 03.12.2020

Annexure A

To
The Members of
M/s. INFRONICS SYSTEMS LIMITED
Hyderabad

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I 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. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. I 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, I 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. My 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.

Aakanksha
Practicing Company Secretary
C.P. No: 20064
UDIN: A049041B001394209

Place: Hyderabad
Date: 03.12.2020

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:

Description	2019-20	2018-19
Inventory Turnover Ratio	10.91	19.61
Interest Coverage Ratio	-	-
Current Ratio	0.59	0.40
Debt Equity Ratio	(2.46)	(16.48)
Operating Profit Margin (%)	(8.14)	0.02
Net Profit Margin (%)	(0.12)	0.02

Human Resource:

Company has adequately 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 FY2019-20 is (1,01,90,969) and the net worth of for FY2018-19 is (76,37,821).

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.

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 2019-20 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 2019-20.

For and on behalf of the Board of
Infronics Systems Limited

Sd/-
S E Raju
Chief Financial Officer

Place: Hyderabad
Date: 03.12.2020

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 31st March 2020 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: 25.07.2020

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACOUNT

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:

**

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

***** 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.

Independent Auditors' Report on Financial Statements

To the Members of **INFRONICS SYSTEMS LIMITED.**

Report on the financial Statements

We have audited the accompanying financial statements of **INFRONICS SYSTEMS LIMITED** ('the Company'), which comprise the balance sheet as at 31st March 2020, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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.

Auditors Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 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 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, of the state of affairs of the Company as at 31 March 2020 and its losses and its cash flows for the 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 sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectives of such controls, refer to our separate report in Annexure B.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in 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.
   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 V Ravi & CO.,
Chartered Accountants
Firm Reg No. 006492S

CA RAMESH KUMAR D
Partner
Membership No. 217139
UDIN: 20217139AAAADU6983

Place: Hyderabad
Date: 25-07-2020

Annexure-A to the Auditors' Report

The Annexure-A referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the Year ended 31 March 2020, we report that:

1.

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c. According to the information and explanations given to us, the company does not have any immovable property Hence paragraph 3(i)(c) of the companies (Auditors Report) order, 2016 is not applicable.

2. The physical verification of the inventory excluding stocks with third parties has been conducted at reasonable intervals by the management during the year. In our opinion the frequency of the verification is reasonable.

3. The Company has granted any loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

a. In our opinion, the rate interest and other conditions on which the loans have been granted to body corporate listed in register maintained under section 189 of the act were not, prima facie, prejudicial to the interest of the company.

b. In the case of the loan granted to body corporate covered in the register maintained under section 189 of the Companies Act, 2013, the borrowers have been regular in the payment of the principle and interest as stipulated.

c. There are no overdue amounts in respect of the loan granted to body corporate covered in the register maintained under section 189 of the Companies Act, 2013.

4. 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 Companies Act, 2013, with respect to the loans and investments made.

5. The Company has not accepted any deposits from the public.

6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

7.

a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, duty of excise income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

b. According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.

8. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.

9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year.

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

11. The company has not paid/ provided managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the act.

12. The company is not Nidhi Company and the Nidhi Rules, 2014 not applicable to it. Accordingly, the provisions of Clause 3(Xii) of order not applicable to the company.

13. The company has entered transactions with the related parties and complied with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the accounting standards.

14. According to information and explanations given to us and based on our examinations of the records of the company, the company has not preferential allotment / private placement of shares or fully or partly convertible debenture's during the year.

15. The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of order not applicable to the company.

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

For V Ravi & CO.,
Chartered Accountants
Firm Reg No. 006492S

CA RAMESH KUMAR D
Partner
Membership No.217139
UDIN: 20217139AAAADU6983

Place: Hyderabad
Date: 25-07-2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INFRONICS SYSTEMS LIMITED.

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 **INFRONICS SYSTEMS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my / 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 I/we have obtained is sufficient and appropriate to provide a basis for my /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 March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For V Ravi & CO.,
Chartered Accountants
Firm Reg No.006492S

CA RAMESH KUMAR D
Partner
Membership No.217139
UDIN: 20217139AAAADU6983

Place: Hyderabad
Date:25-07-2020

Statement of Financial Position as at March 31, 2020

	Particulars	Note No.	As at Mar 31, 2020	As at March 31, 2019
I	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	1	-	-
	(b) Right to use assets		-	-
	(c) Capital work in progress		-	-
	(d) Investment properties		-	-
	(e) Good will		-	-
	(f) Other intangible Assets		-	-
	(g) Intangible Assets under Development		-	-
	(h) Biological Assets other than Bearer Plants		-	-
	(d) Financial assets		-	-
	(i) Investments	2	-	5,05,74,061
	(ii) Trade receivables	3	-	-
	(iii) Loans	4	24,000	24,000
	(vi) other Fiancial assets	5	-	-
	(e) Deferred Tax Asset (Net)	6	-	-
	(f) Other non-current asset	7	-	-
	Total non-current assets (A)		**24,000**	**5,05,98,061**
2	**Current assets**			
	(a) Inventories	8	18,96,389	18,96,000
	(a) Financial assets			
	(i) Investments	2	-	-
	(ii) Trade receivables	3	69,75,899	1,86,70,387
	(iii) Loans	4	-	-
	(iii) Cash and cash equivalents	9	49,414	5,66,125
	(iv) Bank Balances other than (iii) above		10,06,504	9,05,730
	(iv) other financial assets	5	-	-
	(b) Current Tax Asset (Net)	6	-	-
	(c) Other current assets	10	49,05,390	1,62,93,854
	Total current assets (B)		**1,48,33,596**	**3,83,32,096**
	Non Current Assets Clasiffied as Held for Sale (C)		-	-
	Total assets (A+B+C)		**1,48,57,596**	**8,89,30,157**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	11	7,92,64,610	7,92,64,610
	(b) Other equity	12	(8,94,55,579)	(8,69,02,431)
	Total equity (A)		**(1,01,90,969)**	**(76,37,821)**
2	**Liabilities**			
(i)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	13	-	-
	(ii) Trade Payables	14	-	-
	(iii) Other Financial Liabilties	15	-	-
	(b) Long term provisions	16	-	-
	(c) Deferred tax Liabilities(Net)		-	-
	(d) Other non Current Liabilities		-	-
	Total non-current liabilities (B)		**-**	**-**

(ii)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	-	-
	(ii) Trade payables	14	2,04,32,935	8,91,86,159
	(iii) Other financial liabilities	15	-	-
	(b) Short term provisions	16	-	-
	(c) Other current liabilities	17	46,15,630	73,81,819
	(d) Current Tax Liabilities (net)	6	-	-
	Total current liabilities (C)		**2,50,48,565**	**9,65,67,978**
	Total liabilities (D=B+C)		**2,50,48,565**	**9,65,67,978**
	Total equity and liabilities (A+D)		**1,48,57,596**	**8,89,30,157**

The notes are an integral part of the financial statement

As per our report of even date
For V. RAVI & CO.,
Chartered Accountants
Firm Registration No.006492S
UDIN: 20217139AAAADU6983

CA D. Ramesh Kumar
Partner
Membership No.217139
Place: Hyderabad
Date : 25.07.2020

For and on behalf of the Board
For INFRONICS SYSTEMS LIMITED

K J RAJU
Director

MVS RAMESH VARMA
Director

SE Raju
CFO

Statement of Profit and Loss and Other Comprehensive Income for the Year ended Mar 31, 2020

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
	Continuing Operations			
I	Revenue from operations	18	2,06,82,776	3,74,37,623
II	Other income	19	91,612	-
III	Net gain on de-recognition of financial assets at amortised cost	20	-	-
IV	Net gain on reclassification of financial assets	21	-	-
V	**Total income**		**2,07,74,388**	**3,74,37,623**
VI	**Expenses**			
	(a) Cost of material Consumed	22	1,96,48,249	3,55,61,462
	(b) Purchase of Stock in Trade			
	(c) Changes in stock of finished goods, work-in progress and stock-in-trade	23		
	(d) Employee benefits	24	30,48,698	18,78,000
	(e) Finance cost	25	-	-
	(f) Depreciation expense	26	-	-
	(g) Capital Expenditure Written off		-	-
	(h) Net loss on de-recognition of financial assets at amortized cost		-	-
	(i) Net loss on reclassification of financial assets		-	-
	(c) Other expenses	27	6,30,589	25,37,586
	Total expenses (VI)		**2,33,27,536**	**3,99,77,048**
VII	**Profit/(loss) before Share of profit/(loss) of associates / joint ventures, exceptional items and tax (V - VI)**		**(25,53,148)**	**(25,39,425)**
VIII	Share of profit/(loss) of associates			
	Share of profit/(loss) of joint ventures			
IX	**Profit/(Loss) before exceptional items and tax**		**(25,53,148)**	**(25,39,425)**
X	**Exceptional itmes**			
XI	**Profit before Tax**		**(25,53,148)**	**(25,39,425)**
XII	**Tax expense :**			
	a. Current tax		-	-
	b. Deferred tax		-	-
XIII	**Profit/(loss) for the year from continuing operations (XI-XII)**		**(25,53,148)**	**(25,39,425)**
	Discontinued Operations			
XIV	Profit/(loss) from discontinued operations		-	-
XV	Tax Expense of discontinued operations		-	-
XVI	**Profit/(loss) from discontinued operations (XIV +XV)**		-	-
XVII	**XVII Profit/(loss) for the year (XIII+XVI)**		**(25,53,148)**	**(25,39,425)**
XIX	**Other comprehensive income(OCI)**			
	A (i) Items that will not be recycled to profit or loss			
	(a) Changes in revaluation surplus		-	-
	(b) Remeasurements of the defined benefit liabilities / (asset)		-	-
	(c) Equity instruments through other comprehensive income		-	-
	(d) Fair value changes relating to own credit risk		-	-
	(e) Others (specify nature)		-	-

	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that may be reclassified to profit or loss		-	-
	(a) Exchange differences in translating the financial statements of foreign operations		-	-
	(b) Debt instruments through other comprehensive income		-	-
	(c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	-
	(d) Share of other comprehensive income of equity accountedinvestees		-	-
	(e) Others (specify nature)		-	-
	(ii) Income tax on items that may be reclassified to profit or loss		-	-
	Total other comprehensive income		-	-
IX.	**Total comprehensive income for the year (V+ VI)**		**(25,53,148)**	**(25,39,425)**
X.	**Earning per equity share (for Continuing Opertations)**			
	(i) Basic		(0.32)	(0.32)
	(ii) Diluted.		(0.32)	(0.32)
XI.	**Earnings per equity share (for discontinued operation):**			
	(i) Basic		(0.00)	(0.00)
	(ii) Diluted.		(0.00)	(0.00)
XII.	**Earnings per equity share (for Continued and discontinued operation):**			
	(i) Basic		(0.32)	(0.32)
	(ii) Diluted.		(0.32)	(0.32)

The notes are an integral part of the financial statement

As per our report of even date
For V. RAVI & CO.,
Chartered Accountants
Firm Registration No.006492S
UDIN: 20217139AAAADU6983

CA D. Ramesh Kumar
Partner
Membership No.217139
Place: Hyderabad
Date : 25.07.2020

For and on behalf of the Board
For INFRONICS SYSTEMS LIMITED

K J RAJU
Director

MVS RAMESH VARMA
Director

SE Raju
CFO

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31st March, 2020

S No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**CASH FROM OPERATING ACTIVITIES**		
	(Loss)/Profit before tax and extraordinary items	(25,53,148)	(25,39,425)
	Adjustment for:		
	Income tax expense recognised in profit or loss		
	Finance costs recognised in profit or loss	-	-
	Investment income recognised in profit or loss	-	-
	Gain on disposal of property, plant and equipment	-	-
	Gain on disposal of a subsidiary	-	-
	Gain on disposal of interest in former associate	-	-
	Net (gain)/loss recorded in profit or loss on financial liabilities designated as at fair value through profit or loss	-	-
	Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss	-	-
	Net loss/(gain) arising held for trading financial liabilities	-	-
	Hedge ineffectiveness on cash flow hedges	-	-
	Net (gain)/loss on disposal of available-for-sale financial assets	-	-
	Impairment loss recognised on trade receivables	-	-
	Reversal of impairment loss on trade receivables	-	-
	Depreciation and amortisation of non-current assets	-	-
	Non-current assets written off	-	-
	Net foreign exchange (gain)/loss	-	-
	Expense recognised in respect of equity-settled share-based payments	-	-
	Expense recognised in respect of shares issued in exchange for goods/services	-	-
	Amortisation of financial guarantee contracts	-	-
	Operating Profit before Working Capital Changes	**(25,53,148)**	**(25,39,425)**
	Movement for Working Capital:		
	Increase in trade and other receivables	1,16,94,488	(95,01,902)
	(Increase)/decrease in amounts due from customers under construction contracts	-	-
	(Increase)/decrease in inventories	(389)	12,928
	(Increase)/decrease in other assets	1,13,88,464	(50,90,271)
	(Increase)/decrease in Loans & Advances	-	-
	Decrease in trade and other payables	(6,87,53,224)	96,39,262
	Increase/(decrease) in amounts due to customers under construction contracts		-
	Increase/(decrease) in provisions		-
	(Decrease)/increase in deferred revenue		-
	(Decrease)/increase in other liabilities	(27,66,189)	73,81,815
	Cash generated from operations	**(5,09,89,998)**	**(97,593)**
	- Income taxes paid	-	13,57,616
	-	(5,09,89,998)	(14,55,209)
	- Extraordinary & Prior period items	-	-
	NET CASH FROM OPERATING ACTIVITIES	**(5,09,89,998)**	**(14,55,209)**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Payments to acquire financial assets		-
	Proceeds on sale of Investmenst	5,05,74,061	-
	Interest received		-
	Royalties and other investment income received		-
	Dividends received from associates		-
	Other dividends received		-
	Amounts advanced to related parties		-

	Repayments by related parties		-
	Payments for property, plant and equipment		-
	Proceeds from disposal of property, plant and equipment	-	-
	Payments for investment property	-	-
	Proceeds from disposal of investment property	-	-
	Payments for intangible assets	-	-
	Net cash outflow on acquisition of subsidiaries	-	-
	Net cash inflow on disposal of subsidiary	-	-
	Net cash inflow on disposal of associate	-	-
	NET CASH FROM INVESTING ACTIVITIES	**5,05,74,061**	**-**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity instruments of the Company	-	-
	Proceeds from issue of convertible notes	-	-
	Payment for share issue costs	-	-
	Payment for buy-back of shares	-	-
	Payment for share buy-back costs	-	-
	Proceeds from issue of redeemable preference shares	-	-
	Proceeds from issue of perpetual notes	-	-
	Payment for debt issue costs Proceeds from borrowings	-	-
	Proceeds from borrowings	-	-
	Proceeds from government loans		-
	Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control		-
	Dividends paid on redeemable cumulative preference shares		-
	Dividends paid to owners of the Company		-
	Interest paid		-
	Long Term Provisions		-
	NET CASH FROM FINANCING ACTIVITIES	**-**	**-**
	NET INCREASE IN CASH & CASH EQUIVALENTS	**(4,15,937)**	**(14,55,209)**
	Cash and cash equivalents at the beginning of the year	14,71,855	29,27,064
	Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
	Cash and cash equivalents at the end of the year	**10,55,918**	**14,71,855**
Reconciliation of cash and cash equivalents as per the cash flow Statement			
Cash and cash equivalents (Note__)		10,55,918	14,71,855
Bank overdraft (Note _)			
Balance as per statement of cash flows		**10,55,918**	**14,71,855**

The notes are an integral part of the financial statement

As per our report of even date
For V. RAVI & CO.,
Chartered Accountants
Firm Registration No.006492S
UDIN: 20217139AAAADU6983

CA D. Ramesh Kumar
Partner
Membership No.217139
Place: Hyderabad
Date : 25.07.2020

For and on behalf of the Board
For INFRONICS SYSTEMS LIMITED

K J RAJU
Director

MVS RAMESH VARMA
Director

SE Raju
CFO\

INFRONICS SYSTEMS LIMITED

Notes to accounts

Corporate Information:

INFRONICS SYSTEMS LIMITED ("the Company") was incorporated in India in the year 2004 having its Registered office at Plot No. 16, Srila Realty Layout, Near Landmark Towers, Madinaguda, Miyapur, Serilingampally Mandal Hyderabad TG 500049 IN.

Disclosure of Significant Accounting Policies:

1.1 Basis for Preparation of Financial Statements:

a) Compliance with Indian Accounting Standards (Ind AS)

The Ind AS 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.

The Ind AS 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.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and accounting policies and other explanatory information (together hereinafter referred to as 'Ind AS Financial Statements' or 'financial statements').
These financial statements are approved by the Board of Directors on 25.07.2020.

b) Basis of Preparation of financial statements

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis as per the provisions of Companies Act 2013.

- Financial instruments – measured at fair value;
- Assets held for sale–measure daft air value less cost of sale;
- Plan assets under defined benefit plans–measure daft air value
- Employee share-based payments–measure daft air value
- Biological assets–measure daft air value
- In addition, the carrying values of recognized assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Current and Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria: it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;

- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification
- All other liabilities are classified as non-current

c) Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS, 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.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgments are:

S. no	Name of the estimate	Note No	Remarks
1	Fair value of unlisted equity securities	Not applicable	No unlisted equity shares are held by the company during the current financial year
2	Goodwill impairment	Not applicable	No amount provided during the current Financial year

3	Useful life of in tangible asset	Not Applicable	No intangible assets held by the company for the current financial year
4	Defined benefit obligation	Note No.1.15	Long term provision for gratuity
5	Measurement of contingent liabilities and contingent purchase consideration in a business combination	Not applicable	Contingent transactions are recognized based on happening contingent event. No contingent liabilities for the report
6	Current tax expense and current tax payable	Note No.32	As per the Ind AS.12
7	Deferred tax assets for carried forward tax losses	Note No.1.2	As per the Ind AS.12
8	Impairment of financial assets	Note No.1.3	As per Ind AS 16

d. Standards issued but not effective *(based on Exposure drafts available as on date)*

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

i). Issue of Ind AS117–Insurance Contracts:

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

Application of this standard is not expected to have any significant impact on the Company's financial statements.

Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination - nil
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property - nil

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

1. ***Significant accounting policies:***

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

1.1. **Ind AS 105: Non-Current Assets held for Sale or Discontinued Operations:**

S. No	Particulars of Disclosures	As at 31st March 2020 (Rs.)	As at 31st March 2019 (Rs.)
1	A Description of Non-Current Asset (Disposal group)	-	-
2	a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal	-	-
3	the gain or loss recognized in accordance with paragraphs 20– 22 and, if not separately presented in the statement of profit and loss, the caption in the statement of profit and loss that includes that gain or loss	-	-

1.2 **Ind AS 106: Exploration for Evolution of Mineral resources:** This Ind AS 106 not applicable, the company is in the business of IT Software Products. Hence this Ind AS does not have any financial impact on the financial statements of the company.

1.3 **Ind AS-16: Property, Plant and Equipment:**

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 recognized 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.

S. No	Asset	Use full life in Years
1	Computers	3
2	Office Equipment	5
3	Furniture & Fixtures	10
4	Vehicles	10
5	Generator	5

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

The books of accounts of the company doesn't carry any Property, plant and equipment during the reporting period, hence this accounting standard does not have financial impact on the financial statements of the company.

1.4 Impairment Assets (Ind AS 36)

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 recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized 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.

The books of accounts of the company doesn't carry any impairment of assets during the reporting period, hence this accounting standard does not have financial impact on the financial statements of the company.

1.5 Intangible assets (Ind AS 38):

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.

The books of accounts of the company doesn't carry any Intangible assets during the reporting period, hence this accounting standard does not have financial impact on the financial statements of the company.

1.6 Cash Flow Statement (Ind AS 7):

Cash flows are reported using the indirect method under Ind AS 7, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

a). Non-cash items: Nil

b). Changes in Liability Arising from Financing Activity

Particulars	01-Apr-19	Cash Flow		31-Mar-20
		Receipts	Payments	
Current Borrowings	-	-	-	-
Non-current Borrowings	-	-	-	-
Total	**-**	**-**	**-**	**-**

1.7 Operating Cycle:

The Company has adopted its normal operating cycle as twelve months based on the nature of products and the time between the acquisition of assets for processing and their realization, for the purpose of current / non-current classification of assets and liabilities.

1.8 Capital Work in Progress

Capital Work in Progress (CWIP) includes Civil Works in Progress, Plant & Equipment under erection and Preoperative Expenditure pending allocation on the assets to be acquired/commissioned, capitalized. It also includes payments made to towards technical know-how fee and for other General Administrative Expenses incurred for bringing the asset into existence.

The books of accounts of the company doesn't carry any Capital Work in Progress during the reporting period, hence this accounting standard does not have financial impact on the financial statements of the company.

1.9 Investments:

Investments are classified as Non-Current and Current investments.
Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at lower of cost and fair value. Non-Current Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments.

The books of accounts of the company doesn't carry any Investments during the reporting period, hence this accounting standard does not have financial impact on the financial statements of the company.

1.10 Effects of changes in foreign Rates (Ind AS 21):

Foreign currency transactions are recorded at the exchange rates prevailing on the dates when the relevant transactions took place. Exchange difference arising on settled foreign currency transactions during the year and translation of assets and liabilities at the yearend are recognized in the statement of profit and loss.

In respect of Forward contracts entered into to hedge risks associated with foreign currency fluctuation on its assets and liabilities, the premium or discount at the inception of the contract is amortized as income or expense over the period of contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or expense in the period in which such cancellation or renewal is made.

The company has not entered any foreign exchange transactions during the reporting period, hence this accounting standard does not have financial impact on the financial statements.

1.11 Borrowing Costs (Ind AS 23):

Borrowing costs that are attributable to the acquisition or construction of qualifying assets up to the date of capitalization of such asset are capitalized as part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.12 Revenue Recognition (Ind AS 18-Revenues):

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured**.** The following specific recognition criteria must also be met before revenue is recognized:

a) Sales Revenue is recognized on dispatch to customers as per the terms of the order. Gross sales are net of returns and applicable trade discounts and excluding GST billed to the customers.

b) Subsidy from Government is recognized when such subsidy has been earned by the company and it is reasonably certain that the ultimate collection will be made.

c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

d) All other incomes are recognized based on the communications held with the parties and based on the certainty of the incomes.

1.13 Accounting for Government Grants and Disclosure of Government Assistance (Ind AS 20):

Government grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are me.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest and effect of this favorable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

The company does not have any Government Grants during the reporting period, hence this standard does not have financial impact on the financial statements.

1.14 Inventories (Ind AS 2):

Inventories at the yearend are valued as under:

Raw Materials, Packing Material, Components, Consumables and Stores & Spares	At Cost as per First in First Out Method (FIFO)
Work in Progress and Finished goods	At lower of net realizable value and Cost of Materials plus Cost of Conversion and other costs incurred in bringing them to the present location and condition

- Cost of Material excludes duties and taxes which are subsequently recoverable.
- Stocks at Depots are inclusive of duty, wherever applicable, paid at the time of dispatch from Factories.

1.15 Trade Receivables – Doubtful debts:

Provision is made in the Accounts for Debts/Advances which is in the opinion of Management are Considered doubtful of Recovery.

1.16 Retirement and other Employee Benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders related service.

Gratuity liability is a defined benefit obligation and the cost of providing the benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method. Actuarial gains and losses for defined benefits plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

1.17 Ind AS 17- Leases

Finance charges in respect of finance lease obligations are recognized as finance costs in the statement of profit and loss. In respect of operating leases for premises, which are cancellable / renewable by mutual consent on agreed terms, the aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

1.18 Insurance Claims:

Insurance Claims are accounted for on the basis of claims admitted/excepted to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.19 Earnings per Share (Ind AS 33):

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

a) Basic Earnings Per Share (continued operations): there are no discontinued operations hence, EPS is presented for continued operations only.

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Nominal Value of Equity Shares (Rupees per Share fully paid-up) (A)	10	10
Profit after Tax (in Rs.) (B)	(25,53,148)	(25,39,425)
No of Shares outstanding as on 01.04.2019	79,26,461	79,26,461
Shares Issued During the Year	-	-
Weighted average number of Equity shares outstanding at the end of the year (C)	79,26,461	79,26,461
Earnings Per Share (in Rs.) – Basic (D = B÷C)	(0.32)	(0.32)

b). Diluted earnings per share (continued operations):

There are no discontinued operations hence, EPS is presented for continued operations only.

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Nominal Value of Equity Shares (Rupees per Share fully paid-up) (A)	10	10
Profit after Tax (in Rs.) (B)	(25,53,148)	(25,39,425)
No of Shares outstanding as on 01.04.2019	79,26,461	79,26,461
Shares Issued During the Year	-	-
Weighted average number of Equity shares outstanding at the end of the year (C)	79,26,461	79,26,461
Dilutive Shares (D)	NIL	NIL
Earnings Per Share (in Rs.) – Diluted (E) (E = B÷C)	(0.32)	(0.32)

1.20 Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37):

The Company recognized provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources required to settle the obligation in respect of which a reliable estimate can be made A disclosure for Contingent liabilities is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets are neither recognized nor disclosed in the financial statements.

Contingent Liabilities not provided for and commitments:

(In Rupees)

Nature of Contingent Liability	March 31, 2020	March 31, 2019
i. Unexpired guarantees issued on behalf of the company by Banks for which the Company has provided counter guarantee	NIL	NIL
ii. Bills discounted with banks which have not matured	Nil	Nil
iii. Corporate Guarantees issued by Company on behalf of others to Commercial Banks & Financial Institutions	Nil	Nil
iv. Collateral Securities offered to Banks for the limit Sanctioned to others	Nil	Nil
v. Legal Undertakings given to Customs Authorities for clearing the imports	Nil	Nil
vi. Claims against the company not acknowledged as debts		
a. Excise	NIL	NIL
b. Sales Tax	NIL	NIL

c. Service Tax	Nil	Nil
d. Income Tax	NIL	NIL
e. Civil Proceedings	NIL	NIL
f. Company Law Matters	Unascertainable	Unascertainable
g. Criminal Proceedings	Unascertainable	Unascertainable
h. Others	Nil	Nil
vii. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for	Nil	Nil

1.21 Prior Period and Extraordinary and Exceptional Items:

(i) All Identifiable items of Income and Expenditure pertaining to prior period are accounted through ''Prior Period Items''.

(ii) Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly. The nature and the amount of each extraordinary item be separately disclosed in the statement of profit and loss in a manner that its impact on current profit or loss can be perceived.

(iii) Exceptional items are generally non-recurring items of income and expenses within profit or loss from ordinary activities, which are of such, nature or incidence.

1.22 Financial Instruments (Ind AS 107 Financial Instruments: (Disclosures)

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

Note 1: Property, Plant Equipment

Particular	Plant & Machinery	Computers	Office Equipment	Furniture & Fixtures	Vehicles	Total
Cost/Deemed Cost:						
at 1st April 2018	-	-	-	-	-	-
Additions	-		-	-	-	-
Deletions	-	-	-	-	-	-
As at March 2019	-	-	-	-	-	-
Additions	-				-	-
Deletions	-			-	-	-
As at March 2020	-	-	-	-	-	-
Depreciation/Impairment						-
at 1st April 2018	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
As at March 2019	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-
Disposals		-	-	-	-	-
Impairment	-	-	-	-	-	-
As at March 2020	-	-	-	-	-	-
Net Book Value						
As at March 2020	-	-	-	-	-	-
As at March 2019	-	-	-	-	-	-

Note 1(a): Other Intangible Assets

Particular	Trade marks
Cost/Deemed Cost:	
at 1st April 2018	-
Additions	-
Deletions	
As at March 2019	-
Additions	-
Deletions	
As at March 2020	-
Depreciation/Impairment	
at 1st April 2018	-
Depreciation for the year	-
Disposals	
As at March 2019	-
Depreciation for the year	-
Disposals	
Imapaitmenty	-
As at March 2020	-
Net Book Value	
As at March 2020	-
As at March 2019	-

Note.2 : Invesments

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Non Current		
1	Investments in quoted shares	-	-
2	**(i) Investment in unquoted shares of subsidiaries**	-	-
	a) Mobiprise Systems Private Limited (1,46,10,996 Equity shares of Rs.3/- Each)	-	3,93,05,498
	(ii) Investment in unquoted shares of subsidiaries		
	b) Biomorf Systems Ltd (1,12,68,563 equity shares of Rs.1/- each)	-	1,12,68,563
3	Investment in Joint Ventures	-	-
4	Investment in Preference Shares	-	-
5	Investment in partnerships	-	-
	Total	**-**	**5,05,74,061**
	Current		
1	Investments in quoted shares	-	-
2	Investment in unquoted shares of subsidiaries	-	-
3	Investment in Joint Ventures	-	-
4	Investment in Preference Shares	-	-
5	Investment in partnerships	-	-
	Total	**-**	**-**

Note : Investments have been written off based on the respective companies net worth.

Note 3:Trade Receivables

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Non Current		
A	**Secured and considered good:**		
	-From Related party	-	-
	-From Others	-	-
B	**Unsecured and considered good:**		
	-From Related party	-	-
	-From Others	-	-
C	**Doubtful:**		
	-From Related party	-	-
	-From Others	-	-
	Less: allowance for doubtfull debts	-	-
	Total	**-**	**-**
	Current:		
A	**Secured and considered good:**		
	-From Related party	-	-
	-From Others	-	-
B	**Unsecured and considered good:**		
	-From Related party	-	-
	-From Others	69,75,899	1,86,70,387
C	**Doubtful:**		
	-From Related party	-	-
	-From Others	-	-
	Less: allowance for doubtfull debts	-	-
	Total	**69,75,899**	**1,86,70,387**

Note 4: Loans

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Non Current:		
A	**Loans :**		
1	To related parties		
2	to other boady corporate		
3	to employees		
4	Securirty Deposits	24,000	24,000
5	Less: allowances for Doubfull loans		
	Total Loans	**24,000**	**24,000**
	Notes:		
1	Considered good		
2	Considered Doubt full, Provided:		
3	To related parties		
4	to other boady corporate		
5	to employees		
	Total	**48,000**	**48,000**
	Current:		
A	**Loans :**		
1	To related parties		
2	To other body corporate		
3	To employees		
4	Security Deposits	-	-
5	Less: allowances for Doubfull loans		
	Total	**-**	**-**
	Notes:		
1	Considered fgood		
2	Considered Doubt full, Provided:		
3	To related parties		
4	to other boady corporate		
5	to employees		

Note 5: Other Financial Assets

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Non Current		
1	Export benefits and entitlements		
2	Insurance claims recievable		
3	Advances toiwards equity/preference share capital		
4	**Derivative instrucments:**		
a	Dreivative instruments at fair value		
b	Cash flow hedges		
c	Foreign exchange forward contracts		
	Total Derivative Instruments at fair value through OCI	**-**	**-**
5	**Derivative instruments at fair value through profit or loss through OCI:**		
	Derivatives not designated as hedges		
	Foreign exchange forward contracts		
	Embedded derivatives		
	Total derivative instruments at fair value through profit or loss	-	-
	Total Financial Assets	**-**	**-**
	Current		

1	Export benefits and entitlements		
2	Insurance claims recievable		
3	Advances toiwards equity/preference share capital		
4	**Derivative instrucments:**		
a	Dreivative instruments at fair value		
b	Cash flow hedges		
c	Foreign exchange forward contracts		
	Total Derivative Instruments at fair value through OCI	-	-
5	**Derivative instruments at fair value through profit or loss through OCI:**		
	Derivatives not designated as hedges		
	Foreign exchange forward contracts		
	Embedded derivatives		
	Total derivative instruments at fair value through profit or loss	-	-
	Total Financial Assets	-	-

Note 6: Income Taxes

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	a). Current Tax liability		
	Opening Balance	-	-
	Add: Current tax payble for the year	-	-
	Less: Taxes Paid	-	-
	Closing balances	-	-
	b). Current Tax Asset		
	Opening Balance		
	Add: Taxes paid/TDS Receivable	-	-
	Less: Current tax payable for the year		
	Closing Balance	-	-
	c). Differed Tax Asset		
	Differed tax Asset - (A)		
	Provision for Emplyoees		
	Waranty Provisions		
	Loss allowance on financial and Contract Assets		
	Others		
	Sub Total (A)	-	-
	Differred tax Liabilty- (B)		
	Opening Balance	-	-
	on Written down value of fixed assets	-	-
	Others	-	-
	Sub Total (B)	-	-
	Total (A-B)	-	-

Note 7: Other Assets Non Current Assets

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
A	**Other Non-Current Assets**		
	Capital Advances	-	-
	Advances other than capital advances	-	-
	Security Deposits:	-	-
	Government Authorities - Electricity Dept	-	-
	— Advances to Related Parties	-	-
	— Other Advances	-	-
	Total of Other Non-current Assets	**-**	**-**

Note 8: Inventories

	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Stock in Trade	18,96,389	18,96,000
	Total Inventories	**18,96,389**	**18,96,000**

Notes 8a): Disclaousre of Inventories pledged as security for liabilties as follows

S.No		Carrying Amount Rs.	Security Pledged Against
A	**As at 31st March 2020**		
a	Raw Material		
b	Work In Process		
c	Finished Goods		
B	**As at 31st March 2019**		
a	Raw Material		
b	Work In Process		
c	Finished Goods		
	Total Inventories	**-**	**-**

Note 9: Cash and Cash Equivalents

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
1	Cash and Cash Equivalents (Note 9.1)	49,414	5,66,125
2	Bank Balances other than Cash and Cash Cash Equivalents	10,06,504	9,05,730
	Total Cash and Cash Equivalents	**10,55,918**	**14,71,855**

Notes:

1. In the Balance sheet Cash comprises cash and demand deposits.
2. 2.Cash equivalents are held for the purpose of short term cash commitments rather than for investment or other purpose

Note 9a): Cash and Cash Equivalents

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Cash Balances	**37,126**	**5,66,125**
	On Current Accounts:		
	Balance with Scheduled Banks	12,288	
	Total Cash and Cash Equivalents	**49,414**	**5,66,125**

Note 10: Other Current Assets

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Other Current Assets		
1	**Capital Advances:**	-	-
	Advances to Plant and Machinery	-	-
2	**Advances other than capital advances:**		
	MAT Credit Entitilement	-	-
3	Security Deposits	-	-
4	Advances to Suppliers	-	-
5	**Other Advances:**	-	-
	Balance in Indirect Tax Payable account	-	-
	VAT Receivable	4,76,758	4,76,758
	Income Tax Refund Receivable	15,95,884	57,53,584
	GST Receivable	6,02,354	-
	TDS Receivable	22,30,394	67,53,461
	Other Receivables	-	33,10,051
	Total of Other current Assets	**49,05,390**	**1,62,93,854**

Note 11: Equity share capital

a. Equity share capital

Partculars	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Authorised				
Equity shares of Rs. 10/- each	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Issued				
Equity shares of Rs. 10/- each	79,26,461	7,92,64,610	79,26,461	7,92,64,610
Subscribed and Paid-up				
Equity shares of Rs. 10/- each fully paid-up	79,26,461	7,92,64,610	79,26,461	7,92,64,610
Total	**79,26,461**	**7,92,64,610**	**79,26,461**	**7,92,64,610**

b. Reconciliation of the number of equity shares outstanding and the amount of share capital

Partculars	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Issued and Subscribed:				
Shares outstanding at the beginning of the year	79,26,461	7,92,64,610	79,26,461	7,92,64,610
Add: Issued During the year for cash	-	-	-	-
Add:Shares issued at ESOP trust	-	-	-	-
Shares outstanding at the end of the year	**79,26,461**	**7,92,64,610**	**79,26,461**	**7,92,64,610**

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

c. Terms / rights attached to equity Shares

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

d. Shares reserved for issue underwriter options : Nil
e. Detail of Rights Issues : Nil
f. Details of shares held by Holding/Ultimatley Holding Company : Nil
g. Details of shares issued for consideration other than cash : Nil

h. Shares in the company held by each shareholder holding more than 5 percent

Name of the Shareholder	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Madhusudan Raju Mudunuru	7,31,665	9.23%	7,31,665	9.23%
K Kanaka Durga	8,00,055	10.09%	8,00,055	10.09%
Vindhya Mudunuru	6,70,175	8.45%	6,70,175	8.45%
K. Govardhana Reddy	4,08,009	5.15%	4,08,009	5.15%
Namburi Suryanarayana Raju	4,70,000	5.93%	4,70,000	5.93%
Murallikrishnam Raju Penumatsa	4,00,000	5.05%	4,00,000	5.05%

i. Dividend Declaration Details

Particualrs	As at Mar 31, 2020	As at March 31, 2019
Cash Dividend Declared for the Year 31 march 2019	-	-
Dividend Distribution Tax on fianl Dividend	-	-
Interim Dividend for the year ended on 31March 2020		
Total	-	-
Proposed Dividend on Equity Shares		
Final Dividend for the year ended 31 March 2020		
Distribution Tax on Proposed Dividend		
Total	-	-

Note 12 Other equity

Particulars	As at Mar 31, 2020	As at March 31, 2019
Capital Reserve - Forfeiture of shares:		
Balance at the beginning of the year	-	-
Add: Addition During the Year	-	-
Balance at the end of the year	-	-
General Reserve		
Balance at the beginning of the year	-	-
Add: Addition During the Year	-	-
Balance at the end of the year	-	-
Securities Premium:		
Balance at the beginning of the year	10,18,76,228	10,18,76,228
Add: Securities Premium on shares issued during the year	-	-
Balance at the end of the year	**10,18,76,228**	**10,18,76,228**
Retained earnings		
Balance at the beginning of the year	(18,87,78,659)	(18,62,39,234)
Add: Addition During the Year	(25,53,148)	(25,39,425)
Less: TDS Written off	-	-
Balance at the end of the year	**(19,13,31,807)**	**(18,87,78,659)**
Total other Equity	**(8,94,55,579)**	**(8,69,02,431)**

Note 12a) Other Reserves

Particulars	As at Mar 31, 2020	As at March 31, 2019
Debentures Redemption Reserves:		
Balance at the beginng of the year	-	-
Add: Addition during the Year	-	-
Balance at the end of the year	-	-
Capital Redemption Reserves:		
Balance at the beginng of the year	-	-
Add: Addition during the Year	-	-
Balance at the end of the year	-	-
Investment Fluctuation Reserves:		
Balance at the beginng of the year	-	-
Add: Addition during the Year	-	-
Balance at the end of the year	-	-
Total Other Reserves	-	-

Note 13: Borrowings

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Non-Current:		
1	Bonds	-	-
2	Debentures(Secured)	-	-
3	**Term loans:**	-	-
i	Secured	-	-
ii	Unsecured	-	-
iii	From banks	-	-
iv	Working Capital	-	-
v	Deferred payment liabilities	-	-
vi	Other Loans	-	-
vii	-Finance lease obligations	-	-
viii	- Preference shares	-	-
ix	Interest-free sales Tax deferal loan from state Govt.	-	-
4	**Unsecured Loans**		
	Loans fom Individuals other than		
i	Banks	-	-
	Total	-	-
	Current:		
1	Bonds	-	-
2	Debentures(Secured)	-	-
3	**Term loans:**	-	-
i	Secured	-	-
ii	Unsecured	-	-
iii	From banks	-	-
iv	Working Capital	-	-
v	Deferred payment liabilities	-	-
vi	Other Loans	-	-
vii	-Finance lease obligations	-	-
viii	- Preference shares	-	-
ix	Interest-free sales Tax deferal loan from state Govt.	-	-
4	**Unsecured Loans**		
	Loans fom Individuals other than		
i	Banks		-

	Total	**-**	**-**
Disclores regarding Borrowings			
S.No	Particualrs	**As at Mar 31, 2020**	**Terms of Repayment**
	Non Current Term Loans **From Banks**	 -	
S.No	**Particualrs**	**As at Mar 31, 2020**	**Terms of Repayment**
	Current **Secured** Term Loans From Banks Interest-free sales Tax deferal loan from state Govt. **Unsecured** Unsecured loans from individulas other than Banks	 - - -	

Note 14 : Trade Payables

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Non Current:		
A	**Trade payables**		
	Dues to Micro, Small and Medium Enterprises	-	-
	Dues to other than Micro, Small and Medium Enterprises	-	-
	Sub Total	-	-
	Total	**-**	**-**
	Current:		
A	**Trade payables**		
	Dues to Micro, Small and Medium Enterprises	-	-
	Dues to other than Micro, Small and Medium Enterprises	2,04,32,935	8,91,86,159
	Total	**2,04,32,935**	**8,91,86,159**

Note: Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act) This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 15 :Other Financial Liabilities

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	Non Current:		
1	Invester endcation protection fund		
4	**Others:**		
i	Retention money for capital projects	-	-
ii	Payble towards capital expenditure	-	-
iii	Payble towards Services received	-	-
iv	Payble towards other expenses	-	-
v	Interest accrued but no due on borrowings	-	-
	Total	**-**	**-**
	Current		
1	Current Maturities of Long Term Borrowings	-	-
2	Current Maturities of finance lease obligation	-	-

3	Invester endication protection fund	-	-
4	**Others:**		
i	Retention money for capital projects	-	-
ii	Payble towards capital expenditure	-	-
iii	Payble towards Services received	-	-
iv	Payble towards other expenses	-	-
v	Interest accrued but no due on borrowings	-	-
	Total	**-**	**-**

Note 16: Provisions

S.No	Particualrs	As at Mar 31, 2020	As at March 31, 2019
	Non Current:		
	a). Provision for Emplyoee Bebefits		
	For Provident Fund	-	-
	For gratuity	-	
	Provision for compensated absences		
	b). Others	-	-
	Service Waranties	-	-
	Statutory Dues	-	-
	Legal Calims	-	-
	Total	**-**	**-**
	Current:		
	a). Provision for Emplyoee Benefits		
	For Provident Fund	-	-
	For gratuity	-	
	Provision for compensated absences		
	b). Others	-	-
	Service Waranties	-	-
	Statutory Dues	-	-
	Legal Calims	-	-
	Total	**-**	**-**

Note 17 : Other current Liabilities

S.No	Particulars	As at Mar 31, 2020	As at March 31, 2019
	a).Revenue Received in Advance		
	Advances From customers	-	
	b).Other Payables		
	Statutory Dues Payable		
	Provident fund payable	-	-
	Professional Tax payable	14,400	-
	ESI contribution payable	-	-
	Interest Payable on statutory dues	-	-
	TDS payable	59,796	-
	Salaries payable	23,75,124	54,53,815
	GST Payable	-	-
	Other dues Payable		
	K Sandhya	9,67,516	-
	M Vindhya	9,50,000	-
	Other Expenses payable	1,48,794	18,78,000
	Statutory Audit fee payable	1,00,000	50,000
	Total	**46,15,630**	**73,81,815**

Note 18: Revenue from operations

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Revenue from contracts with customers disaggregated based on nature of product or services**		
	Revenue from Sale of Products		
	a). Sale of Products	-	-
	b). Stock in Trade	-	-
	Net Revenue	**-**	**-**
	Revenue from Sale Service		
	a). Software services	2,06,82,776	3,74,37,623
	b). Other Services	-	-
	Sub total	**2,06,82,776**	**3,74,37,623**
	Other Operating Revenues		
	a). Export Incentives	-	
	b). Royalty Received	-	
	From subsidiaries and associates	-	
	From others	-	
	c). Scrap Sale	-	
	d). Others	-	
	Sub total	**-**	**-**
	Total Revenue from Operations	**2,06,82,776**	**3,74,37,623**
B	**Disaggregated revenue information**		
	Revenue from contracts with customers disaggregated based on geography		
	a).Domestic	-	-
	b).Export	-	-
		-	-
	C)Reconciliation of Gross Revenue from Contracts With Customers		
	Gross Revenue	-	-
	Less: Discount		
	Less: Returns		
	Less: Price Concession		
	Less: Incentives and performance bonus		
	Less: Goods and Service Tax	-	-
	Net Revenue recognised from Contracts with Customers	-	-

C1 Terms conditions on performance warranty
C2 Credit period
C3 The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Note 19: Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
a).Financial assets mandatorily measured at fair value through profit or loss		
b). Interest income on financial assets fair valued through other comprehensive income		
-Non Convertible debentures		
c). Financial assets carried at amortised cost		
Tax free bonds and government bonds		
Deposits with banks and others	-	-
Sub toal (i)	**-**	**-**
Dividend Income		
a).Investments mandatorily measured at fair value through profit or loss		
b).Equity investment designated at fair value through other comprehensive income		
Sub total (ii)		
Unwinding of discount on security deposits(iii)		
Government grants (iv)		
Rental income on Investment Properties (v)		
Others Interest	91,612	-
Total(i+ii+iii+iv+v)	**91,612**	**-**

Note 20: Net gain on de-recognition of financial assets at amortised cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit on sale of land and buildings	-	-
Written off of liability	-	-
Total Gain	**-**	**-**

Note 21: Net gain on reclassification of financial assets

Deposits with banks and others	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit on sale of land and buildings	-	-
Written off of liability	-	-
Total Gain	**-**	**-**

Note 22 : Cost of Material Consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Raw Material Consumed		
Raw materials at the beginning of the year	18,96,000	19,08,929
Add: Purchases During the year	1,96,48,638	3,55,48,533
Less: Raw materials at the end of the year	18,96,389	18,96,000
Total cost of raw material consumed	**1,96,48,249**	**3,55,61,462**
(Write down value of invetories Rs._____ and written down value of material due to obsolesence Rs___ these amount included in the cost material consumed)		
B). Packing Material		
Packing materials at the beginning of the year	-	-
Add : Purchases During the year	-	-
Less: Packing materials at the end of the year	-	-
Total cost of packing materials consumed (B)	**-**	**-**

	Total cost of Materials consumed (B)	1,96,48,249	3,55,61,462

Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance		
Finished Goods	-	-
Work in Progress	-	-
Stock in Trade (Including Goods in Transit)	-	-
Spares and Consumables	-	-
Total Opening Balnces	-	-
Closing Balance	-	
Finished Goods	-	-
Work in Progress	-	-
Stock in Trade (Including Goods in Transit)	-	-
Spares and Consumables	-	-
Total Closing Balance	-	-
Total Changes in inventories of finished goods, work-inprogress and stock-in-trade	-	-

Note 24 Empolyee Bebefits

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages, Bonus etc.	30,48,698	18,78,000
Contribution to P.F, E.S.I and Other Statutory Funds	-	-
Employee share based payment expenses	-	-
Gratuity	-	-
Leave compensation	-	-
Post-employment pension benefits	-	-
Post-employment medical benefits	-	-
Staff welfare expenses	-	-
Total Employee benefits	**30,48,698**	**18,78,000**

Note 25 Finance Cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest and finance charges on financial liabilities carried at amortised cost		
a). Interest on Bank Borrowings	-	-
b). Interest on Bill Discounting	-	-
c). Other Interest Expenses(Bank Charges)	-	-
Less: Amount Capitalised		
Total Interest on financial liabilities carried at amortised cost	-	-
Intest on Trade payables (as per MSME Act)	-	-
Interest on delayed payment of statutory dues	-	-
Unwinding of discount on provision	-	-
Exchange difference regarded as adjustment to borrowing costs	-	-
Dividend on redeemable preference shares (including dividend distribution tax)	-	-
Total Finance Cost	-	-

Note 26 : Depreciation and Amortisation Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on plant, property and equipment	-	-
Depreciation on Investment properties	-	-
Amortisation on Intangible assets	-	-
Total depreciation and Amortisation expenses	**-**	**-**

Note 27 : Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit Fees	1,00,000	50,000
Conveyance	-	15,000
Rates and Taxes	1,36,528	1,97,418
Computer maintainance	4,365	19,200
Electricity Charges		
Software Maintainance	-	63,337
Office maintainance	18,748	14,254
Printing & Stationery	42,000	12,870
Professional & Consultancy	47,367	1,01,149
Rent	1,45,000	1,36,500
Vehicle Maintenance	-	2,48,972
Power & Fuel	-	988
Advertisement	93,375	87,152
Bank Charges	2,854	11,805
Interest on TDS	-	1,52,539
Other Interest & Charges	-	13,99,876
Insurance	22,552	26,526
Registration, License & Filing Fee	17,800	
Total	**6,30,589**	**25,37,586**

28. Contingent Liabilities not provided for and commitments:

(Amount in Rs.)

Nature of Contingent Liability	March 31, 2020	March 31, 2019
viii. Unexpired guarantees issued on behalf of the company by Banks for which the Company has provided counter guarantee	NIL	NIL
ix. Bills discounted with banks which have not matured	Nil	Nil
x. Corporate Guarantees issued by Company on behalf of others to Commercial Banks & Financial Institutions	Nil	Nil
xi. Collateral Securities offered to Banks for the limit Sanctioned to others	Nil	Nil
xii. Legal Undertakings given to Customs Authorities for clearing the imports	Nil	Nil
xiii. Claims against the company not acknowledged as debts		
a. Excise	NIL	NIL
b. Sales Tax	NIL	NIL
c. Service Tax	Nil	Nil
d. Income Tax	NIL	NIL
e. Civil Proceedings	NIL	NIL

f. Company Law Matters	Unascertainable	Unascertainable
g. Criminal Proceedings	Unascertainable	Unascertainable
h. Others	Nil	Nil
xiv. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for	Nil	Nil

29. Operating Segments (Ind AS 108)

The company is in the business of IT Software Products. Hence reporting is Not Applicable.

30. Events Reporting Period (Ind AS-10)

An entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

31. Construction Contracts (Ind AS -11): The company is in the business of IT Software Products, hence Ind AS -11 Construction Contract not applicable.

32. Income Taxes (Ind AS 12)

Tax Expense comprises of current and deferred tax.

- **Current Tax:**
  Current Tax on Income is determined and provided on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961. In the year in which 'Minimum Alternative Tax '(MAT) on book profits is applicable and paid, eligible MAT credit equal to the excess of MAT paid over and above the normally computed tax, is recognized as an asset to be carried forward for set off against regular tax liability when it is probable that future economic benefit will flow to the Company within the MAT credit Entitlement period as specified under the provisions of Income Tax Act, 1961.

- **Deferred Taxes:**
  Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

  At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

  The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

33. Retirement and other Employee Benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders related service.

Gratuity liability is a defined benefit obligation and the cost of providing the benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method. Actuarial gains and losses for defined benefits plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

34. Related Party Disclosures (Ind AS 24):

Related Party disclosures required as per Accounting Standard (Ind AS-24) on "Related Party disclosures "issued by the Institute of Chartered Accountants of India, are as below:

a) Names of related parties and the Description of Relationship:

S. No	Name of Related Parties	Relationship
1	NAMBURU SATYAVATHI	Director
2	KORADA SRINIVASARAO	Director
3	JAGANNADHA KUTCHARLAPATI RAJU	Wholetime Director
4	MANTENA VENKATA SURYA RAMESH VARMA	Director
5	SIDDANTAPU ENMANUEL RAJU	CFO(KMP)

b) Related Party Transactions during the year: NIL

35. Consolidated and Separate Financial Statement (Ind AS 27):

The company has no subsidiary companies for the current reporting period**.** Hence consolidate

and separate financial statement are not applicable.

36. Investments in Associates (Ind AS 28):

The company has not made any investments in any of its associates during the reporting period**.** This accounting standard has no financial impact on the financial statements for the current reporting period.

37. Interest in Joint Ventures (Ind AS 31)

The company has no interest in any Joint ventures. This accounting standard has no financial impact on the financial statements for the current reporting period.

38. Derivative instruments and un-hedged foreign currency exposure:

a) There are no outstanding derivative contracts as at March 31, 2020 and March 31, 2019.

b) Particulars of Un-hedged foreign currency exposure is: Nil

39. Secured Loans: Nil

40. Confirmation of Balances: Confirmation letters have been issued by the company to Trade Receivables, Trade Payables, Advances to suppliers and others advances requesting that the confirming party responds to the company only if the confirming party disagrees with the balances provided in the request and however the company has not received any letters on disagreements.

41. Net Current Assets:

S. No	Particulars	As at 31st March 2020	As at 31st March 2019
A	**Current Assets:**		
1	Inventories	18,96,389	18,96,000
2	Trade Receivables	69,75,899	1,86,70,387
3	Cash and Cash equivalent	10,55,918	14,71,855
4	Current Tax Asset (Net)	-	-
5	Other Current Asset	49,05,390	1,62,93,854
	Total Current Assets	**1,48,33,596**	**3,83,32,096**
B	**Current Liabilities:**		
1	Borrowings	-	-
2	Trade Payables	2,04,32,935	8,91,86,159
3	Other Current Liabilities	46,15,630	73,81,819
4	Short term provisions	-	-
5	Current Tax Liability	-	-
	Total Current liabilities	**2,50,48,570**	**9,65,67,978**
C	**Current Assets-Current Liabilities**	**(1,02,14,969)**	**(5,82,35,882)**

42. Revenue from Operations:

S. No	Particulars	As at 31st March 2020	As at 31st March 2019
1	Sale of goods:		
	Sale of Manufactured Products	-	-
	Stock in trade	18,96,389	18,96,000
	Total	**18,96,389**	**18,96,000**
2	Revenue from Sale of Service	-	-
3	Other Operating Revenues	-	-

Revenue Reconciliation:

S. No	Particulars	As at 31st March 2020	As at 31st March 2019
1	Sale of Products"		
	Domestic	2,06,82,776	3,74,37,623
	Exports	-	-
	Gross Revenue	-	-
	Less: Discount	-	-
	Less: Returns	-	-
	Less: price Concession	-	-
	Less Incentives and Performance bonus	-	-
	Less: Goods and service Tax	-	-
	Net Revenues recognized from contracts with customers	2,03,82,776	3,74,37,623

43. Other Income:

S. No	Particulars	As at 31st March 2020	As at 31st March 2019
1	Interest on Deposits with With banks and Others.	91,612	-

44. Details of Loans given, Investments made and Guarantee given covered Under Section 186(4) of the Companies Act, 2013.

The company has not extended any Corporate Guarantees in respect of loans availed by any company/firm as at March 31, 2020

45. Auditors' Remuneration:

Particulars	March 31, 2020	March 31, 2019
Fees towards*		
Statutory Audit	1,00,000	50,000

*The fees is exclusive of GST

46. Dues to Micro Small and Medium Enterprises:

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act.) as at 31.03.2020.

SL No	Description	March 31, 2020
1	Principal amount due to suppliers under MSMED	NIL
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	NIL
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	NIL
4	Payment made to suppliers (other than interest) beyond the appointed day during the previous year	NIL
5	Interest paid to suppliers covered under MSMED	NIL
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	NIL

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with company.

47. 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.

48. 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. 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 the promoters of the company is infusing the funds based on the requirements.

49. Amounts have been rounded off to nearest Rupee.

The notes are an integral part of the financial statement

As per our report of even date
For V. RAVI & CO.,
Chartered Accountants
Firm Registration No.006492S
UDIN: 20217139AAAADU6983

CA D. Ramesh Kumar
Partner
Membership No.217139
Place: Hyderabad
Date : 25.07.2020

For and on behalf of the Board
For INFRONICS SYSTEMS LIMITED

K SRINIVASA RAO
Director

MVS RAMESH VARMA
Director

SE Raju
CFO