

INFRONICS SYSTEMS LIMITED

24th ANNUAL REPORT

2023-2024

Corporate Information

| Board of Directors | | |
|-------------------------------|----------------------|------------|
| Name of Directors | Designation | DIN |
| Mr. Neerad Kumar Gajula | Whole-Time Director | 06810058 |
| Ms. Thanmai Gurijala | Independent Director | 09688088 |
| Ms. Deepthi Konakanchi | Independent Director | 08592676 |
| Mr. Vishnu Sri Ram Gurumurthy | Additional Director | 08614445 |

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| Chief Financial Officer | Ms. Navya Surapaneni |
| Company Secretary & Compliance Officer | Ms. Shubhi Singhal |
| Statutory Auditors | R.Subramanian and Company LLP, Chartered Accountants |
| Internal Auditors | N R G and Co., Chartered Accountants |
| Secretarial Auditor | M/s. ASN & Associates, Practicing Company Secretaries |
| Registered Office | Plot No: 30, 31, Brigade Towers, West Wing, First Floor, Nanakramguda, Financial District, Gachibowli, Hyderabad - 500032 India |
| Corporate Identity Number | L72200TG2000PLC033629 |

Audit Committee

| Sr. No. | Names | Designation |
|---------|-------------------------|-------------|
| 1. | Ms. Deepthi Konakanchi | Chairperson |
| 2. | Ms. Thanmai Gurijala | Member |
| 3. | Mr. Neerad Kumar Gajula | Member |

Nomination & Remuneration Committee

| Sr. No. | Names | Designation |
|---------|-------------------------------|-------------|
| 1. | Ms. Deepthi Konakanchi | Chairperson |
| 2. | Ms. Thanmai Gurijala | Member |
| 3. | Mr. Vishnu Sri Ram Gurumurthy | Member |

Stakeholders Relationship Committee

| Sr. No. | Names | Designation |
|---------|-------------------------|-------------|
| 1. | Ms. Deepthi Konakanchi | Chairperson |
| 2. | Ms. Thanmai Gurijala | Member |
| 3. | Mr. Neerad Kumar Gajula | Member |

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| Registrar & Share Transfer Agents | Aarhi Consultants Private Limited 1-2-285, Near Gagan Mahal Nursing Home, Street No. 7, Domalguda, Hyderabad - 500029 Ph: 040-27638111/27634445, Fax: 040-27632184 Email: info@aarhiconsultants.com |
| Demat ISIN Number in NSDL & CDSL | INE463B01036 |
| Listed at | BSE Limited |

NOTICE

Notice is hereby given that the (24th) Twenty Fourth Annual General Meeting of the Shareholders of Infronics Systems Limited will be held on Friday, the 27th day of September, 2024 at 10.00 A.M. through Video Conferencing (VC) and Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2024, 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.**

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2024 along with reports of the Board of Directors and Independent Auditors thereon as laid before meeting, be and are hereby received, considered and adopted.”

- 2. To appoint a director in place of Mr. Neerad Kumar Gajula (DIN: 06810058) who retires by rotation and being eligible, offers himself for re-appointment.**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013, Mr. Neerad Kumar Gajula (DIN: 06810058) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a director of the company liable to retire by rotation.”

SPECIAL BUSINESS:

- 3. To regularize appointment of Mr. Vishnu Sri Ram Gurumurthy (DIN: 08614445) as a Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Vishnu Sri Ram Gurumurthy (DIN: 08614445), who was appointed as an Additional Director (Non-Executive Category) by the Board of Directors of the Company with effect from w.e.f. 03.01.2024 and holds office up to the date of the annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier, be and is hereby appointed as a Director (Non-Executive Category) of the Company, who will be liable to retire by rotation;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies.”

4. Ratification of change in designation of Mr. Neerad Kumar Gajula (DIN: 06810058) from the position of Director to Whole-time Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, on the basis of recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, in its meeting held on 03rd January, 2024, the approval of members of the Company (hereinafter referred to as 'board') be and is hereby accorded for the change in designation of Mr. Neerad Kumar Gajula (DIN: 06810058) from the position of Non-Executive Director to Whole-Time Director of the Company with effect from 03rd January, 2024, and he shall hold office for a period 5 years from the effective date of appointment;

RESOLVED FURTHER THAT Mr. Neerad Kumar Gajula shall be entitled to receive the yearly remuneration as mentioned below:

- Basic Salary: 7,50,000
- HRA: 3,00,000
- Other allowances: 4,50,000

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary and/or modify the terms and conditions including remuneration payable to Mr. Neerad Kumar Gajula in such manner as may be agreed between the board and Mr. Neerad Kumar Gajula in compliance with Section 197 and as per the limits prescribed in Schedule V of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof, as may be applicable;

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Neerad Kumar Gajula the remuneration mentioned in the above referred agreement shall be paid to him as minimum remuneration;

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the company be and are hereby authorised to do all such acts, deeds as may be necessary to bring into effect the above resolution.”

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

Sd/-

Shubhi Singhal

Company Secretary and Compliance Officer

M. No. A66004

Place: Hyderabad

Date: 03.09.2024

EXPLANATORY STATEMENT
PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.03:

The Members are informed that on recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company appointed Mr. Vishnu Sri Ram Gurumurthy (DIN: 08614445) at its meeting held on 03rd January, 2024 as Additional Director (Non-Executive) of the Company.

In terms of the provisions of Section 161 of the Companies Act, 2013, he shall hold office as Additional Director (Non-Executive) of the Company up to the date of the ensuing Annual General Meeting or the last date on which the annual general meeting should have been held, whichever is earlier. In accordance with the provisions of the Companies Act, 2013, his name has been proposed for appointment as Director of the Company at the 24th Annual General Meeting of the Company.

Accordingly, the Board of Directors recommends the passing of the above resolution as Ordinary Resolution set out in the item no. 03 of the notice for appointment of Mr. Vishnu Sri Ram Gurumurthy (DIN: 08614445) as Director (Non-Executive) of the Company.

Save and except Mr. Vishnu Sri Ram Gurumurthy (to the extent of his appointment as Director), being the appointee, none of the other Directors/ Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the respective Resolution set out in the notice.

Brief resume of Directors being appointed/re-appointed (in pursuance of Regulation 36(3) (a) of the Listing Regulations) and Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) regarding Director seeking appointment / re- appointment

| Sr. No. | Particulars | Details |
|---------|--|--------------------------------|
| 1. | Full Name | Vishnu Sri Ram Gurumurthy |
| 2. | Director's Identification Number (DIN) | 08614445 |
| 3. | Date of Birth | 29/12/1991 |
| 4. | Age | 32 Years |
| 5. | Date of first appointment on the Board | 03 rd January, 2024 |

| | | |
|-----|--|--|
| 6. | Expertise & Experience in Specific Functional area | Mr. Vishnu Sri Ram Gurumurthy has about 6.5 years of rich experience in the field of Tech & Management. |
| 7. | Brief Profile | Mr. Vishnu Sri Ram Gurumurthy has about 6.5 years of rich experience in the field of Tech & Management. He also held various managerial positions during that period. |
| 8. | Qualifications | Higher Secondary (Andhra Pradesh State Board) |
| 9. | Terms & conditions of Appointment | Mr. Vishnu Sri Ram Gurumurthy shall work as the Non-Executive Director of the Company on mutually agreed terms and conditions. |
| 10. | List of other than Directorships/ Partnership held (Directorship/ Membership/ Chairmanship of Committees of Board) | <ol style="list-style-type: none"> 1. Rentian Private Limited; 2. CoScale Management Services LLP; 3. KenWise Management Services LLP |
| 11. | Number of Shares held in the Company | NIL |
| 12. | Relationship with other Directors | Not related to any of the directors of the Company. |
| 13. | Remuneration sought to be paid | NIL |
| 14. | Remuneration last drawn | NIL |
| 15. | The number of Meetings of the Board attended during the year | 01 |

ITEM NO.04:

The Nomination and Remuneration Committee and the Board of Directors of the Company vide resolutions passed as on 03rd January, 2024, approved change in Designation of Mr. Neerad Kumar Gajula (DIN: 06810058) as Whole-Time Director of the Company, designated as Executive Director, for the period of five years with effect from January 03, 2024 at a remuneration of Rs. 15,00,000 per annum.

In accordance with Section 196 of the Companies Act, 2013, the appointment of Whole-Time director requires the approval of the members of the Company and accordingly, the Board of directors are seeking your approval for the aforementioned Change in Designation from Director to Whole-Time director.

The Board of Directors recommends the resolution set out in Item No. 04 of the notice for approval of the Members. Save and except Mr. Neerad Kumar Gajula (to the extent of his appointment as Whole-Time Director), being the appointee, none of the other Directors/ Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the respective Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

| 1 | Nature of Industry | Service-based | | | | | | | | | | | | | | |
|----------------------|---|---|----------------------------------|--|-------------|----------------------------------|----------------------------------|----------------------------------|----------|--------|--------|--------|----------------------|--------|-------|------|
| 2 | Date or expected date of commencement of commercial | The Company commenced its business in 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 | NA | | | | | | | | | | | | | | |
| 4 | Financial performance based on given indications | <table border="1"> <thead> <tr> <th>Particulars</th> <th>2023-24 (Amount in Lakhs INR)</th> <th>2022-23 (Amount in Lakhs INR)</th> <th>2021-22 (Amount in Lakhs INR)</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>434.06</td> <td>618.15</td> <td>677.62</td> </tr> <tr> <td>Net profit after Tax</td> <td>252.12</td> <td>51.81</td> <td>4.83</td> </tr> </tbody> </table> | | | Particulars | 2023-24 (Amount in Lakhs INR) | 2022-23 (Amount in Lakhs INR) | 2021-22 (Amount in Lakhs INR) | Turnover | 434.06 | 618.15 | 677.62 | Net profit after Tax | 252.12 | 51.81 | 4.83 |
| Particulars | 2023-24 (Amount in Lakhs INR) | 2022-23 (Amount in Lakhs INR) | 2021-22 (Amount in Lakhs INR) | | | | | | | | | | | | | |
| Turnover | 434.06 | 618.15 | 677.62 | | | | | | | | | | | | | |
| Net profit after Tax | 252.12 | 51.81 | 4.83 | | | | | | | | | | | | | |
| 5 | Foreign investments or collaborations, if any | The Company hasn't made any Foreign investment or entered into collaboration with Foreign entities during the year. | | | | | | | | | | | | | | |

II. INFORMATION ABOUT THE APPOINTEE:

| 1. | Background Details | Mr. Neerad Kumar Gajula completed his Bachelor of Technology in Computer Science and Engineering, from Indian Institute of Technology, Madras and has about 9+ years of rich experience in the field of Management. | | | | | | | | | |
|-------------------|---|--|-------------|----------|----------|--------------|---------|-----|-------------------|-----|-----|
| 2. | Past Remuneration | <table border="1"> <thead> <tr> <th>Particulars</th> <th>FY 23-24</th> <th>FY 22-23</th> </tr> </thead> <tbody> <tr> <td>Remuneration</td> <td>370,968</td> <td>NIL</td> </tr> <tr> <td>Incentive, if any</td> <td>NIL</td> <td>NIL</td> </tr> </tbody> </table> | Particulars | FY 23-24 | FY 22-23 | Remuneration | 370,968 | NIL | Incentive, if any | NIL | NIL |
| Particulars | FY 23-24 | FY 22-23 | | | | | | | | | |
| Remuneration | 370,968 | NIL | | | | | | | | | |
| Incentive, if any | NIL | NIL | | | | | | | | | |
| 3. | Recognition or awards | NIL | | | | | | | | | |
| 4. | Job Profile and his suitability | Mr. Neerad Kumar Gajula completed his Bachelor of Technology in Computer Science and Engineering, from Indian Institute of Technology, Madras and has about 9+ years of rich experience in the field of Management. He held various managerial positions during that period. | | | | | | | | | |
| 5. | Remuneration proposed | Rs.15,00,000/- (Rupees Fifteen Lakh only) | | | | | | | | | |
| 6. | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | Taking into consideration the profile of Mr. Neerad Kumar Gajula and the responsibilities shouldered on him, the aforesaid remuneration package is below the Industry standards. | | | | | | | | | |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Besides the remuneration, he is holding 14,14,427 Equity Shares of the Company. | | | | | | | | | |

III. OTHER INFORMATION

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|----------|--|---|
| 1 | Reasons of loss or inadequate profits | The Company has not incurred losses and has made profits during the financial year 2023-24. |
| 2 | Steps taken or proposed to be taken for improvement | The company is committed to build the business operations in the IT sector and it is believed that the financial position of the company will increase in the coming years. |
| 3 | Expected increase in productivity and profit in measurable terms | The company is committed to build the business operations in the IT sector and it is believed that the financial position of the company will increase in the coming years. |

Following are the details of the salary payable to Mr. Neerad Kumar Gajula along with other perquisites:

- Remuneration: ₹ 15,00,000/- per annum (Rupees Fifteen Lakh only);
- Perquisites, if any paid, shall be valued as per Income tax Rules;
- Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Neerad Kumar Gajula, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above shall be paid to him as minimum remuneration.

Brief resume of Directors being appointed/re-appointed (in pursuance of Regulation 36(3) (a) of the Listing Regulations) and Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) regarding Director seeking appointment / re- appointment

| Sr. No. | Particulars | Details |
|----------------|--|-------------------------------|
| 1. | Full Name | Neerad Kumar Gajula |
| 2. | Director's Identification Number (DIN) | 06810058 |
| 3. | Date of Birth | 28/10/1992 |
| 4. | Age | 31 years |
| 5. | Date of first appointment on the Board | 03 rd August, 2022 |

| | | |
|-----|--|--|
| 6. | Expertise & Experience in Specific Functional area | He has about 9+ years of rich experience in the field of Management. He also held various managerial positions during that period. |
| 7. | Brief Profile | Mr. Neerad Kumar Gajula completed his Bachelor of Technology in Computer Science and Engineering, from Indian Institute of Technology, Madras. |
| 8. | Qualifications | Bachelor of Technology in Computer Science and Engineering |
| 9. | Terms & conditions of Appointment | Mr. Neerad Kumar Gajula shall work as the Whole-Time Director of the Company on mutually agreed terms and conditions. |
| 10. | List of other than Directorships/ Partnership held (Directorship/ Membership/ Chairmanship of Committees of Board) | NIL |
| 11. | Number of Shares held in the Company | 14,14,427 |
| 12. | Relationship with other Directors | Not related to any of the directors of the Company |
| 13. | Remuneration sought to be paid | Rs.15,00,000/- (Rupees Fifteen Lakh only) |
| 14. | Remuneration last drawn | NIL |
| 15. | The number of Meetings of the Board attended during the year | 06 |

Notes:

1. 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 Annual Report.
2. In view of the continuing Covid-19 pandemic and consequential restrictions imposed on the movements of people, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 10/2022 dated December 28, 2022, circular No. 11/2022 dated December 28, 2022, circular No. 2/2022 dated May 5, 2022, General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020 in conjunction with Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/ 11 dated January 15, 2021, and circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022 issued by SEBI (collectively “SEBI Circulars”) Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the MCA Circulars granted certain relaxations and thus permitted the holding of Annual General Meeting (“AGM”) of the companies through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA / SEBI Circulars, as applicable, the AGM of the Company is being held through VC/ OAVM (e-AGM).
3. The Deemed Venue of the 24th AGM of the Company shall be its Registered office.
4. 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.
5. 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 all members on a 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.

6. 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.
7. 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.
8. 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 <https://www.infronics.com/>. The Notice can also be accessed from the website of the Stock Exchange 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.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2024 to 27.09.2024 (Both days inclusive).
10. The Company has appointed CS K Surendra (M No: 34205, CP No: 12732) from M/s ASN & Associates, Practicing Company Secretaries, Visakhapatnam, as scrutinizer of the Company to scrutinize the voting process.
11. The cut-off date to finalize the list of shareholders with whom the Annual Report for the Financial Year 2023-24 shall be shared through email will be Friday, 30th August, 2024.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
14. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

15. THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 :Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 :Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 24.09.2024 at 9.00 A.M. and ends on 26.09.2024 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20.09.2024 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 during the meeting.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facilities to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 :Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL Depository. | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

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|--|--|
| <p>Individual Shareholders holding securities in demat mode with NSDL Depository.</p> | <ol style="list-style-type: none"> 1) If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open a web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| <p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP).</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on the e-Voting option, you will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on company name or e-Voting</p> |

| | |
|--|---|
| | service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|---|

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meeting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on the "Shareholders" module.
- 3) 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.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.
- 6) If you are a first time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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) | <p>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.</p> <ul style="list-style-type: none"> 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. |

- (vi) After entering these details appropriately, click on the “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach the ‘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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN <Infronics Systems Limited>.

- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any, uploaded, which will be made available to the scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - 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 favor 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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending the meeting & e-Voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote during the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow cameras and use the Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at info@infronics.com. 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 info@infronics.com. These queries will be replied to by the Company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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 update your email id & mobile no. with your respective Depository Participant (DP).
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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.com or call toll free no. 1800 22 55 33.

16. OTHER INSTRUCTIONS:

- (i) The voting rights of shareholders shall be in proportions to the shares held by them in the paid-up equity share capital of the Company as on the cut-off date i.e., 20.09.2024.

- (ii) The Scrutinizer shall after the conclusion of the Voting at the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or person authorized by him.
- (iii) Voting is provided to the members through remote e-voting and e-voting during the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the Annual General Meeting of the Company.
- (iv) If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.
- (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.infronics.com/> and on the website of CDSL and will be communicated to the BSE Limited.

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

**Place: Hyderabad
Date: 03.09.2024**

**Sd/-
Shubhi Singhal
Company Secretary and Compliance Officer
M. No. A66004**

BOARDS' REPORT

To
The Members,
Infronics Systems Limited

The Directors have pleasure in presenting before you the 24th Boards' Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2024.

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

The performance during the period ended 31st March, 2024 has been as under:

(Amount in lakhs.)

| Particulars | F.Y. 2023-24 | F.Y. 2022-23 |
|--|---------------|--------------|
| Revenue from operation | 434.06 | 618.15 |
| Other income | 3.39 | 5.70 |
| Total Income | 437.45 | 623.85 |
| Total Expenses | (84.47) | (550.91) |
| Profit/ (Loss) Before Exceptional Item and Tax | 352.98 | 72.94 |
| Less: Exceptional Item | -- | -- |
| Less: Provision for taxation | 100.86 | 21.13 |
| Profit after Tax | 252.12 | 51.81 |

2. MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of the report.

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 from the public as per the provisions of Sections 73 and 74 of the Act read with Rules made thereunder and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

5. DETAILS OF DEPOSITS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE ACT:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2024, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company complied with this requirement within the prescribed timelines.

6. TRANSFER TO RESERVES:

During the year under review Rs.252.12 Lakhs have been transferred to the General Reserves (Retained earnings).

7. DIVIDEND:

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

8. REVISION OF FINANCIAL STATEMENTS:

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

9. SHARE CAPITAL:**Listing of Shares**

The equity shares of the Company are listed on BSE Limited (BSE). The listing fee for the year 2023-24 has already been paid to the credit of the Stock Exchange.

Authorised Share Capital

As on March 31, 2024, the Authorised Share Capital of your Company stood at Rs.11,00,00,000/- (Rupees Eleven crores only) divided into 1,10,00,000 (One Crore Ten Lakh) equity shares of face value of Rs.10/- (Rupee Ten only) each.

Paid-up Share Capital

As on March 31, 2024, the Paid-up Equity Share Capital of your Company stood at Rs.7,92,64,610/-* (Rupees Seven Crore Ninety Two Lakh Sixty Four Thousand Six Hundred and Ten only) comprising of 79,26,461 (Seventy Nine Lakh twenty six thousand four hundred and sixty one) equity shares of face value of Rs. 10/- (Rupees Ten only) each.

**Note - Company has consolidated two shares of nominal value of Rs.05/- each into one share of nominal value of Rs.10/- each in the Annual General Meeting held on September 30, 2015 which leads to a difference of Rs.05/- in the Paid up equity Share Capital of the Company.*

Changes in Capital Structure

During the F.Y. 2023-24 your Company has neither issued shares with differential voting rights as to dividends, voting or otherwise nor issued shares (including sweat equity shares) to the employees or directors of the Company under any scheme such as bonus, right issue, private placement, preferential allotment or by any other mode as per Companies Act, 2013.

10. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

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 observations have been noticed for inefficiency or inadequacy of such controls. The Company maintains an 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.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS:

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

12. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

There were no contracts or arrangements entered into by the company during the financial year 2023-24.

13. CORPORATE GOVERNANCE:

As per the provisions of Regulation 15(2) of the Listing Regulations, the Company having paid-up equity share capital not exceeding Rs.10 crores and Net Worth not exceeding Rs.25 crores, as on the last day of the previous financial year, are exempted from the provisions of the Corporate Governance. The Paid up share capital and net worth for 2022-23 and 2023-24 are detailed in the below table:-

| Sr No | Financial Year (FY) | Paid up Capital (Rupees in Crores) | Net worth (Rupees in Crores) |
|-------|---------------------|---------------------------------------|---------------------------------|
| 1 | 2023-24 | 7.92 | 2.22 |
| 2 | 2022-23 | 7.92 | (0.29) |

During the financial year 2023-24 the Company's paid-up capital is below the specified threshold. Hence, the provisions of Corporate Governance as stipulated in Listing Regulations are not applicable to the Company.

14. ANNUAL RETURN:

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2023-24, is put up on the Company's website and can be accessed at www.infronics.com.

Further, the Annual Return (i.e., e-form MGT-7) for the financial year 2023-24 shall be filed by the Company with the Registrar of Companies, Hyderabad, within the stipulated period.

15. DIRECTORS/CEO/CFO AND KEY MANAGERIAL PERSONNEL:

During the period under review following were the Directors/ Key Managerial Personnel resigned/appointed during the financial year 2023-24 including between the financial year ended 31st March, 2024 and date of Board's report:

| S. No. | Name of the Directors/KMP | Designation | Nature of change (Appointment/ Change in designation/ Cessation) | Date of appointment/ change in designation/ cessation |
|--------|----------------------------------|---|--|---|
| 1. | Mr. Neerad Kumar Gajula | Whole-Time Director | Change in Designation | 03.01.2024 |
| 2. | Mr. Vishnu Sri Ram Gurumurthy | Additional Director (Non- Executive) | Appointment | 03.01.2024 |
| 3. | Mr. Trivikrama Reddy Kothinti | Whole-Time Director | Resignation | 03.01.2024 |
| 4. | Mr. Prashal Pandey | Company Secretary & Compliance Officer | Resignation | 27.11.2023 |
| 5. | Ms. Shubhi Singhal | Company Secretary & Compliance Officer | Appointment | 03.01.2024 |

The Board placed on record its sincere appreciation for the services rendered by the resigning Director and Company Secretary during their tenure.

Director liable to retire by rotation:-

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Neerad Kumar Gajula (DIN: 06810058), Whole-Time Director of your Company retires by rotation in the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

Declaration by the Directors:-

The Directors have issued confirmation to the Company, confirming that they have not made any default under Section 164(2) of the Act, as on March 31, 2024.

Declaration by Independent Directors:-

The Company has received declarations from Ms. Thanmai Gurijala and Ms. Deepthi Konakanchi, the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as clause (b) of sub-regulation (1) of Regulation 16 of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and that they are independent of management. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct. In the opinion of the Board, Independent Directors fulfill the conditions specified in the Act, Rules made thereunder and SEBI Listing Regulations and are independent of the management.

16. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:

As required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, information relating to percentage increase in remuneration, ratio of remuneration of each Director and Key Managerial Personnel to the median of employees' remuneration etc. is annexed as "Annexure I" to this report.

17. BOARD MEETINGS:

The Board of Directors duly met 07 (Seven) times on 29.05.2023, 09.08.2023, 30.08.2023, 05.09.2023, 07.11.2023, 03.01.2024 and 14.02.2024 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.

The intervening gap between any two consecutive meetings of the Board was within the stipulated time frame prescribed under the Act and the SEBI Listing Regulations.

Board Committees

The Company has constituted several Committees of the Board which have been established as part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. As on March 31, 2024, the Board has 03 (three) mandatory Committees, namely,

1. Audit Committee;
2. Nomination, Remuneration & Compensation Committee (NRC) and
3. Stakeholders' Relationship Committee (SRC);

18. 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 Auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 1. Any changes in accounting policies and practices;
 2. Qualification in draft audit report;
 3. Significant adjustments arising out of audit;
 4. The going concern concept;
 5. Compliance with accounting standards;
 6. Compliance with stock exchange and legal requirements concerning financial statements and
 7. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

III. The previous Annual General Meeting of the Company was held on 29.09.2023 and Chairperson of the Audit Committee attended the previous AGM.

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

During the financial year 2023-24, 05 (Five) meetings of the Audit Committee were held on 29.05.2023, 09.08.2023, 05.09.2023, 07.11.2023 and 14.02.2024.

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 entitled to attend | No. of Meetings attended |
|--------------------------------|-------------|----------|------------------------------------|--------------------------|
| Ms. Deepthi Konakanchi | Chairman | NED (ID) | 5 | 5 |
| Ms. Thanmai Gurijala | Member | NED (ID) | 5 | 4 |
| Mr. Trivikrama Reddy Kothinti* | Member | WTD | 4 | 4 |
| Mr. Neerad Kumar Gajula** | Member | WTD | 1 | 1 |

*Resigned w.e.f 03.01.2024

** Appointed w.e.f. 03.01.2024

NED(ID): Non- Executive Independent Director

WTD: Whole-Time Director

19. NOMINATION AND REMUNERATION COMMITTEE:

A). Brief Description of terms of reference:

The Nomination and Remuneration Committee set up by the Board is responsible for:

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- ii. formulation of the criteria for evaluation of performance of independent directors and the board of directors.
- iii. devising a policy on diversity of board of directors.
- iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.
- vi. recommend to the Board, remuneration, payable to senior management.
- vii. such other matters as may be specified by the Board from time to time.

B) COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

There were 03 (Three) Nomination and Remuneration Committee Meetings held during the financial year 2023-24 on 30.08.2023, 07.11.2023 and 03.01.2024.

| Name | Designation | Category | No. of Meetings held | No. of Meetings attended |
|-------------------------|--------------------|-----------------|-----------------------------|---------------------------------|
| Ms. Deepthi Konakanchi | Chairman | NED (ID) | 3 | 3 |
| Ms. Thanmai Gurijala | Member | NED (ID) | 3 | 3 |
| Mr. Neerad Kumar Gajula | Member | NED | 3 | 2 |

NED (ID): Non-Executive Independent Director

NED: Non-Executive Director

Pursuant to Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee (NRC) shall comprise of all Non-Executive Directors. Following the change in designation of Mr. Neerad Kumar Gajula from Non-Executive Director to Whole-Time Director, effective January 3, 2024, the composition of the NRC has been revised accordingly. The new composition is as follows:-

| Name | Designation | Category |
|-------------------------------|-------------|----------|
| Ms. Deepthi Konakanchi | Chairman | NED (ID) |
| Ms. Thanmai Gurijala | Member | NED (ID) |
| Mr. Vishnu Srimram Gurumurthy | Member | NED |

NED (ID): Non-Executive Independent Director

NED: Non-Executive Director

20. STAKEHOLDERS RELATIONSHIP COMMITTEE:

A) Composition of the Committee, Meetings and Attendance During the Year:

01 (One) Stakeholders Relationship Committee Meeting was held on 14.02.2024 during the financial year 2023-24.

The Details of composition of the Committee are given below:

| Name | Designation | Category | No. of Meetings held | No. of Meetings attended |
|-------------------------|-------------|----------|----------------------|--------------------------|
| Ms. Deepthi Konakanchi | Chairman | NED (ID) | 1 | 1 |
| Ms. Thanmai Gurijala | Member | NED (ID) | 1 | 0 |
| Mr. Neerad Kumar Gajula | Member | WTD | 1 | 1 |

NED(ID): Non-Executive Independent Director

WTD: Whole-Time Director

B) Name and Designation of the Compliance Officer: Ms. Shubhi Singhal, Company Secretary & Compliance Officer.

C) Details of Shareholders complaints during the financial year:

| Number of shareholders' complaints received during the financial year | Number of complaints not solved to the satisfaction of shareholders | Number of pending complaints |
|---|---|------------------------------|
| NIL | NIL | NIL |

21. BOARD EVALUATION:

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given evaluation forms for the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Non-Executive and Non-Independent Directors; and
- (v) Evaluation of Whole-time Director.

The Directors were requested to give following ratings for each criteria:

1. fair;
2. satisfactory; and
3. very satisfactory.

The Directors have sent the duly filled forms to the Board. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

22. AUDITORS AND AUDITOR'S REPORT:**Statutory Auditors & their Report**

M/s. R. Subramanian and Company LLP, Chartered Accountants (Firm Registration No. 004137S/S200041) were appointed as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of 23rd Annual General Meeting till the date of conclusion of the 28th Annual General Meeting of the Company to be held in the calendar year 2028 at such remuneration plus Taxes, out of pocket, traveling and living expenses, etc. as may be mutually agreed to between the Board of Directors and the Auditors.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act

Remarks by Statutory Auditors

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2024 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.

Secretarial Auditors:

Pursuant to provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended or re-enacted from time to time), your Company appointed M/s. ASN & Associates, Practicing Company Secretaries, for conducting the Secretarial Audit of your Company for the Financial Year 2023-24.

The Secretarial Audit Report in prescribed Form MR-3, issued by the Secretarial Auditor is annexed herewith as Annexure - II to this Report.

Remarks by Secretarial Auditors:

The Board has duly reviewed the Secretarial Audit Report according to the provisions of section 204 of the Companies Act 2013. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark for the Financial Year 2023-24.

Internal Auditors:

The company has appointed M/s. N R G and Co., Chartered Accountants as internal auditors for the Financial Year 2023-24.

23. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

24. VIGIL MECHANISM:

The Board of Directors of your Company has formulated a Whistle-Blower Policy, which is in compliance with the provisions of Section 177(9) & (10) of the Act and Regulation 22 of the SEBI Listing Regulations. The Company, through this Policy envisages to encourage the Directors and employees of the Company to report to the appropriate authorities any unethical behavior, improper, illegal or questionable acts, deeds, actual or suspected frauds or violation of the Company's Codes of Conduct for the Directors and the Senior Management Personnel.

The Policy on Vigil Mechanism/Whistle-Blower Policy has been placed on the website of the Company.

25. RISK MANAGEMENT POLICY:

The company follows a comprehensive system of risk management. The company has adopted a procedure for assessment and minimisation of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the structured risk management process.

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

There were no Subsidiaries or associate companies of the company during the financial year 2023-24.

27. 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.

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

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

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 immediately preceding 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:

There are no Loans, Investments or Guarantees/Security given by the Company during the year under Section 186 of the Companies Act, 2013; hence no particulars are required to be given.

31. CREDIT & GUARANTEE FACILITIES:

The Company has availed Unsecured Loan of Rs.300 (in INR Lakhs) from third parties and of which company repaid a unsecured loan of Rs.200 (in INR Lakhs) during the year. Further, the Company has not availed any facilities of guarantee during the year.

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

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated formulation of certain policies for all the listed companies. The policies are available on the Company's website i.e., www.infronics.com.

33. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

During the year None of the employees drew a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of

the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 OutGo:

Foreign Exchange Earnings: Rs. NIL

Foreign Exchange Outgo: Rs. NIL

35. INSURANCE:

The properties and assets of your Company are insured wherever required.

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. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

There is no application filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

38. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS:

During the year under review, there has been no one time settlement of loans taken from banks and financial institutions.

39. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

Your Company has adopted a "Code of Internal Procedure and Conduct for Regulating, Monitoring and Reporting of Trading in Securities by Designated Persons" ("Insider Trading Code") as required under Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations").

The Company formulated the Insider Trading Code with the objective to deter the Insider trading in the securities of the Company based on the unpublished price sensitive information.

The Insider Trading Code outlines the procedures to be followed and disclosures to be made when dealing in the Company's securities, ensuring the highest ethical standards are maintained.

40. EVENT BASED DISCLOSURES:

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

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

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

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

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

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

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

7. Reduction of Share Capital of the Company: The Company did not approve any scheme of Reduction of Share Capital during the period under review.

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

41. COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118(10) of the Act, the Company has complied with the applicable provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

42. 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”.

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

As on March 31, 2024, POSH compliance is not applicable to the Company, as during the year under review the total number of employees did not exceed 10 (Ten).

44. STATEMENT ON COMPLIANCE OF CODE OF CONDUCT:

All Members of the Board and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2023-24. A declaration signed by the Director and Chief Financial Officer affirming compliance with the Company’s Code of Conduct by the Board of Directors and Senior Management for the Financial Year 2023-24 as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as “Annexure IV”.

45. DIRECTORS 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.

46. 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 Exchange, 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/-)

Neerad Kumar Gajula
Wholetime Director
(DIN: 06810058)

(Sd/-)

Vishnu Sri Ram Gurumurthy
Additional Director
(DIN: 08614445)

Place: Hyderabad
Date: 03.09.2024

ANNEXURE – I**DISCLOSURE PURSUANT TO SEC. 197 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.

| Director | Designation | Total Remuneration | Ratio to median remuneration* |
|---|---------------------------------------|--------------------|-------------------------------|
| Mr. Trivikrama Reddy Kothinti (01.04.2023 to 03.01.2024) | Whole-Time Director | 7,40,000 | 1.48 : 1 |
| Mr. Neerad Kumar Gajula (03.01.2024 to 31.03.2024) | Whole-Time Director | 3,70,968 | 0.74 : 1 |
| Mr. Vishnu Sri Ram Gurumurthy | Non-Executive Additional Director | Nil | Nil |
| Ms. Deepthi Konakanchi | Non-Executive Independent Director | Nil | Nil |
| Ms. Thanmai Gurijala | Non-Executive Independent Director | Nil | Nil |

**Median remuneration of the Company for all its employees is Rs.4,99,280/- for the Financial Year 2023-24.*

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

| Name | Designation | Remuneration | | Increase/ (Decrease) %* |
|---|--|--------------|-------------|-------------------------------|
| | | F.Y 2023-24 | F.Y 2022-23 | |
| Trivikrama Reddy Kothinti (01.04.2023 to 03.01.2024) | Whole-Time Director | 7,40,000 | 4,00,000 | 100% |
| Neerad Kumar Gajula (03.01.2024 to 31.03.2024) | Whole-Time Director | 3,70,968 | NA | NA |
| Navya Surapaneni | Chief Financial Officer | 10,00,000 | 3,79,032 | 100% |
| Prashal Pandey (01.04.2023 to 27.11.2023) | Company Secretary & Compliance Officer | 4,99,280 | 4,79,839 | Nil |
| Shubhi Singhal (03.01.2024 to 31.03.2024) | Company Secretary & Compliance Officer | 2,44,597 | NA | NA |

**The Increase/Decrease denotes the change in the overall CTC of the Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager*

3. The percentage increase in the median remuneration of employees in the financial year

| Name | Remuneration | | Increase/ (Decrease) % |
|---|--------------|-------------|---------------------------|
| | F.Y 2023-24 | F.Y 2022-23 | |
| Median Remuneration of all the employees per annum* | Nil | Nil | Nil |

**Employees other than Key Managerial Personnel are considered for the purpose of aforementioned calculation*

4. The number of permanent employees on the rolls of company

| Particulars | Number |
|--|--------|
| The number of employees on the rolls of the company as on March 31, 2024 | 03 |

5. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details of there are any exceptional circumstances for increase in the managerial remuneration

| Particulars | Increase/(Decrease) % |
|---|------------------------------|
| Average percentage increase in the remuneration of all Employees * (Other than Key Managerial Personnel) | Nil |
| Average Percentage increase in the Remuneration of Key Managerial Personnel | 100% |

6. Affirmation that the remuneration is as per the remuneration policy of the company.

The Company is in compliance with its remuneration policy.

ANNEXURE-II

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Infronics Systems Limited
Address: Plot No: 30, 31, Brigade Towers,
West Wing, First Floor, Nanakramguda, Financial District,
Hyderabad Rangareddi - 500032, Telangana, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Infronics Systems Limited (CIN: L72200TG2000PLC033629)** (here-in-after called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2024, complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Infronics Systems Limited for the Financial Year ended on 31st March, 2024 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – *Not applicable as the Company has not issued any Employee Stock Option Scheme;*
 - f) 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 financial year under review;*
 - g) 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
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - *Not applicable* and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - *Not applicable as the Company did not buy back its equity shares during the financial year under review;*
2. We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:
- (a) The Payment of Wages Act, 1936
 - (b) The Minimum Wages Act, 1948
 - (c) Employees Provident Funds and Miscellaneous Provisions Act, 1952
 - (d) The Payment of Bonus Act, 1965
 - (e) The Payment of Gratuity Act, 1972
 - (f) The Contract Labour (Regulation & Abolition) Act, 1970
 - (g) The Child Labour (Prohibition & Regulation) Act, 1986
 - (h) The Industrial Employment (Standing Order) Act, 1946
 - (i) The Employee Compensation Act, 1923
 - (j) Information Technology Act, 2000 and the Rules made there under

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
 - The Listing Agreements entered into by the Company with the Stock Exchanges
3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes in the composition of the

Board of Directors which took place during the period under review are in accordance with the provisions of the Companies Act, 2013.

- b) Adequate notices given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent either by way of hand delivery or through e-Mail communication, and a system exists for seeking and obtaining further information and clarifications on the Agenda Items before the meeting and for meaningful participation at the meeting.
 - c) As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous/with requisite majority and no dissenting views have been recorded.
 - d) We report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
 - e) We further report that the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited;
4. We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

**For ASN Associates
Company Secretaries**

(Sd/-)

**K Surendra
Partner
ACS No.: 34205
C P No.: 12732
UDIN: A034205F001136966**

**Place: Visakhapatnam
Date: 03.09.2024**

**This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.*

'ANNEXURE -A'

To,
The Members,
Infronics Systems Limited
Address: Plot No: 30, 31, Brigade Towers,
West Wing, First Floor, Nanakramguda, Financial District,
Hyderabad Rangareddi - 500032, Telangana, India

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

1. Maintenance of the Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit;
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on a test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion;
3. The Compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws and maintenance of financial record and books of accounts have not been reviewed in this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals;
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis;
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For ASN Associates
Company Secretaries**

(Sd/-)

**K Surendra
Partner
ACS No.: 34205
C P No.: 12732
UDIN: A034205F001136966**

**Place: Visakhapatnam
Date: 03.09.2024**

ANNEXURE – III**MANAGEMENT DISCUSSION & ANALYSIS****Industry Structure & development:**

We always want to look ahead and push ourselves to reinvent and re-innovate. We took this opportunity to be introspective and realize 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 providing services.

Internal Control & Adequacy:

The company has an 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 systems.

Risk and Concerns:

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

Outlook:

Company is focusing on service-based activities. The rapid increase in the volume of enterprise data and growing automation of business processes across several end-use industries such as retail, manufacturing, healthcare, and transportation are expected to drive the demand for business software and services over the forecast period. Significant rise in deployment of enterprise software and services across IT infrastructure for enabling better strategic decision-making, reducing inventory cost, enhancing profitability, and enabling organizations to improve their market position is estimated to drive the market growth over the forecast period.

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

| Description | 2023-24 | 2022-23 |
|-----------------------------|---------|---------|
| Inventory Turnover Ratio | 0 | 0.00 |
| Interest Coverage Ratio | 13.62 | 4.30 |
| Current Ratio | 1.99 | 1.88 |
| Debt Equity Ratio | 0.46 | -10.06 |
| Operating Profit Margin (%) | 87.76 | 15.38 |
| Net Profit Margin (%) | 57.63 | 8.30 |

Material developments in Human Resources

Your Company considers the quality of its human resources to be the most important asset and constantly endeavors to attract and recruit best possible talent. Our training programs emphasize a general management perspective to business. The Company continues to empower its people and provide a stimulating professional environment to its officers to excel in their respective functional disciplines.

The industrial relations of the Company continue to remain harmonious and cordial with focus on improving productivity and quality. The total number of employees as on March 31, 2024 are 3 (Three).

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

The net worth of the company for FY 2023-24 is Rs. 2,22,31,398 and the net worth for FY 2022-23 is (29,80,896)

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.

Accounting Treatment:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently.

There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

ANNEXURE - IV

DECLARATION OF COMPLIANCE OF THE CODE OF CONDUCT

[In terms of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Infronics Systems Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Board of Directors of Infronics Systems Limited, in compliance of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has laid down the Codes of Conduct for all the Board Members and the Senior Management Personnel of the Company, which have also been posted on the website of the Company viz. www.infronics.com

Pursuant to the above, We hereby certify that all the Board Members and Senior Management Personnel of the Company, have affirmed the compliance with the Code of Conduct during the Financial Year 2023-24.

Infronics Systems Limited

(Sd/-)

Navya Surapaneni
Chief Financial Officer

(Sd/-)

Date: 03.09.2024
Place: Hyderabad

Neerad Kumar Gajula
Whole-Time Director
(DIN: 06810058)

INDEPENDENT AUDITOR'S REPORT

To the Members of Infronics Systems Limited

Opinion

We have audited the accompanying Ind AS financial statements of Infronics Systems Limited ("the Company"), which comprise the balance sheet as at March 31 2024, the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the statement of cash flows for the year then ended 31st March 2024, and notes to financial statements, including a summary of significant accounting policies and other explanatory information hereinafter referred to as Financial Statements.

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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

| Key Audit Matters | How our audit addressed the key audit matter |
|--|---|
| 1) Note No – 8 Trade Receivable as on 31/03/2024 is Rs.79.32 Lakhs is considered | We have tested the internal control procedure in the area of revenue recognised on services |

| | |
|--|--|
| <p>as a Key Audit Matter, being a significant account balance in the financial statements.</p> | <p>rendered.</p> <p>We have verified the Service income with the orders/contracts from the customers and documents relating to rendering of services.</p> <p>We have also applied our alternate audit procedures such as verification of Internal and External evidence for rendering of services and subsequent bank receipts.</p> <p>Based on the audit procedure performed we are satisfied that the amount stated in the financial statements is in line with the accepted accounting procedure and applicable accounting standards.</p> |
|--|--|

Information other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information in the Annual Report. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance and we shall:-

- (a) If the material misstatement is corrected, perform necessary procedure to ensure the correction; or
- (b) If the material misstatement is not corrected after communicating the matter to those charged with governance, take appropriate action considering our legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom this Auditors' report is prepared.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards Specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are

also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed 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 March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind AS financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 26 to the Ind AS financial statements
 - 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and beliefs, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or

kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

i) The company has neither declared nor paid any dividend during the year.

j) Based on our examination, which included test checks, we observed that the Company utilized accounting software with an audit trail (edit log) feature at the transactional level for maintaining its books of account for the financial year ended March 31, 2024. This feature was operational throughout the year for all relevant transactions recorded in the software. However, we were unable to validate the functionality of the audit trail at the database level. Notwithstanding this limitation, we did not encounter any instances indicating that the audit trail feature had been tampered with during the course of our audit.

For R Subramanian & Company

FRN: 004137S/S200041

Chartered Accountants

(Sd/-)

K Jayasankar

Partner

Membership Number: 014156

UDIN: 24014156BKGADV6544

Place: Chennai

Date: 29th May, 2024

Annexure 1 - referred to under paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report

Re: Infronics Systems Limited ('the Company')

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i)(a)(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(i)(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification

(i)(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(i)(e) There are no proceedings initiated or are pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(ii)(b) The Company has not been sanctioned working capital limits in excess of "Rs. Five crores" in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii)(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii)(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iii)(c) The Company has not granted loans and advances in the nature of loans to any parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(iii)(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(iii)(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the company

(iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed under Sub-Section (1) of Section 148 of the Companies Act 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

| Name of the statute | Nature of dues | Amount (₹) in Lakhs | Amount paid under Protest (₹) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---------------------|----------------|---------------------|-------------------------------|------------------------------------|--------------------------------|-----------------|
| | | | | | | |

| | | | | | | |
|-----------------|-----------------------------|------------|--------|-----------------------|--|-----|
| Service Tax Act | Order of Demand and Penalty | - 90.91 | - - | 2015-16 to 2017-18 | Commissioner of Customs & Central Excise | Nil |
|-----------------|-----------------------------|------------|--------|-----------------------|--|-----|

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix)(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix)(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(ix)(d) The Company did not raise any funds on a short term basis during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(ix)(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix)(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.

(xiii) the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) Based on information and explanations provided to us the Company has no Internal audit system during the year under review and accordingly no comment could be offered in regard to adequacy of Internal audit system and consideration of internal audit reports by us during the course of our audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Hence clause (xvi)(b) of the Order is not applicable to the Company

(xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) During the current year the previous statutory auditors of the company have resigned. According to the information and explanations given to us, there have been no issues, objections or concerns raised by the said outgoing statutory auditors of the company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of section 135(5) and 135(6) of Companies Act,2013 is not applicable to the company. Hence, report on Clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For R Subramanian & Company

FRN: 004137S/S200041

Chartered Accountants

Sd/-

K Jayasankar

Partner

Membership Number: 014156

UDIN: 24014156BKGADV6544

Place: Chennai

Date: 29-May-2024

ANNEXURE - 2 To the Independent Auditor's report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infronics Systems Limited of even date)

Report on the Internal Financial Controls with reference to Ind AS Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Infronics Systems Limited (the "Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to Ind AS financial statements 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS financial statements. 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Ind AS financial statements 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 ICAI.

For R Subramanian & Company

FRN: 004137S/S200041

Chartered Accountants

Sd/-

K Jayasankar

Partner

Membership Number: 014156

24th ANNUAL REPORT



UDIN: 24014156BKGADV6544

Place: Chennai

Date: 29-May-2024

(All amounts are in lakhs INR, Except for share data or unless otherwise stated)

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
|---|-------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 3 | 58,796.60 | 0.59 | 0.95 |
| Right to use asset | 4 | 549,063.00 | 5.49 | 9.51 |
| Financial assets | | | | |
| Other financial assets | 5 | 1,587,326.00 | 15.87 | 13.99 |
| Deferred tax asset (Net) | 6 | 11,742.00 | 0.12 | 0.19 |
| Other Non-current assets | 7.1 | 212,358.00 | 2.12 | 2.01 |
| | | 2,419,285.60 | 24.19 | 26.65 |
| Current Assets | | | | |
| Financial Assets | | | | |
| Trade receivables | 8 | 7,931,514.38 | 79.32 | 130.58 |
| Cash and cash equivalents | 9 | 30,205,272.28 | 302.05 | 360.00 |
| Other current assets | 7.2 | 1,995,936.12 | 19.96 | 41.15 |
| | | 40,132,722.78 | 401.33 | 531.73 |
| Total Assets | | 42,552,008.38 | 425.52 | 558.38 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Equity share capital | 10 | 79,264,615.00 | 792.65 | 792.65 |
| Other equity | 11 | (57,033,217.36) | (570.33) | (822.45) |
| | | 22,231,397.64 | 222.32 | (29.81) |
| Non-Current Liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 12 | - | - | 300.00 |
| Lease liabilities | | 178,495.83 | 1.78 | 5.00 |
| | | 178,495.83 | 1.78 | 305.00 |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| Borrowings | 13 | 10,170,000.00 | 101.70 | 5.40 |
| Lease liabilities | | 431,929.17 | 4.32 | 4.69 |
| Trade Payables | | | | |
| -total outstanding dues of micro enterprises and small enterprises | | 8,246,432.00 | 82.46 | 131.64 |
| -total outstanding dues of creditors other than micro enterprises and small enterprises | 14 | 220,593.34 | 2.21 | 58.97 |
| Other current liabilities | 15 | 1,073,160.40 | 10.73 | 22.00 |
| Short term provisions | 16 | - | - | 60.49 |
| | | 9,972,114.91 | 201.42 | 283.19 |
| Total Equity and Liabilities | | 42,552,008.38 | 425.52 | 558.38 |

Summary of significant Accounting 1 & 2

These accompanying notes are an integral part of these financial statements.

In terms of our report of even date.

For **R Subramanian & Company LLP**

Chartered Accountants

FRN: 004137S/S200041

For and on behalf of the Board of Directors

Sd/-
K. Jayasankar
Partner
M.NO: 014156
UDIN: 24014156BKGADV6544
Place: Chennai
Date: 29th May 2024

Sd/-
Neerad Kumar Gajula
Whole-Time Director
DIN: 06810058
Place: Hyderabad
Date: 29th May 2024

Sd/-
Vishnu Sri Ram Gurumurthy
Additional Director
DIN: 08614445
Place: Hyderabad
Date: 29th May 2024

Sd/-
Navya Surpaneni
Chief Financial officer
Place: Hyderabad
Date: 29th May 2024

Sd/-
Shubhi Singhal
Company Secretary
Place: Hyderabad
Date: 29th May 2024

Infronics Systems Limited
Statement of Profit and (Loss) for the year ended March 31, 2024

CIN:L72200TG2000PLC033629

(All amounts are in lakhs INR, Except for share data or unless otherwise stated)



| Particulars | Notes | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|------------------------------|
| Income | | | |
| I Revenue from Operations | 17 | 434.06 | 618.15 |
| II Other Income | 18 | 3.39 | 5.70 |
| III Total Income (I+II) | | 437.45 | 623.85 |
| IV Expenses | | | |
| Operating expenses | 19 | - | 447.06 |
| Employee benefits expense | 20 | 28.82 | 14.03 |
| Finance costs | 21 | 28.74 | 22.14 |
| Depreciation and amortization expenses | 22 | 4.38 | 2.74 |
| Other expenses | 23 | 22.53 | 64.94 |
| Total Expense (IV) | | 84.47 | 550.91 |
| V Profit/(loss) before exceptional items and tax (III-IV) | | 352.98 | 72.94 |
| VI Exceptional Items | | - | - |
| VII Profit/ (loss) before tax(V-VI) | | 352.98 | 72.94 |
| VIII Tax expenses | | | |
| Current Tax | | 100.79 | 21.32 |
| Deferred Tax | | 0.07 | (0.19) |
| Total Tax Expenses (VIII) | | 100.86 | 21.13 |
| IX Profit/ (loss) After Tax and Exceptional Items (VII-VIII) | | 252.12 | 51.81 |
| X Other Comprehensive Income: | | | |
| A. (i) Items that will not be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will not be reclassified to pro | | - | - |
| B. (i) Items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified | | - | - |
| Total Comprehensive Income for the period (IX+X)Comprising Profit (Loss) and Other comprehensive Income for the period) | | | |
| XI | | 252.12 | 51.81 |
| XII Earnings per Equity Share of Rs. 10/- each | | | |
| i. Basic earnings from operations attributable to share hold | 24 | 3.18 | 0.65 |
| ii. Diluted earnings from operations attributable to share h | | 3.18 | 0.65 |
| Summary of significant Accounting Policies and Notes on accounts. 1 & 2 | | | |
| These accompanying notes are an integral part of these financial statements. - | | | |
| In terms of our report of even date. | | | |
| For R Subramanian & Company LLP Chartered Accountants FRN: 004137S/S200041 | | For and on behalf of the Board of Directors | |
| K. Jayasankar Partner M.NO: 014156 UDIN: 24014156BKGADV6544 Place: Chennai Date: 29th May 2024 | Sd/- Neerad Kumar Gajula Whole-Time Director DIN: 06810058 Place: Hyderabad Date: 29th May 2024 | Sd/- Vishnu Sri Ram Gurumurthy Additional Director DIN: 08614445 Place: Hyderabad Date: 29th May 2024 | |
| | Sd/- Navya Surpaneni Chief Financial officer Place: Hyderabad Date: 29th May 2024 | Sd/- Shubhi Singhal Company Secretary Place: Hyderabad Date: 29th May 2024 | |

Statement of cash flow for the the year ended March 31, 2024

CIN:L72200TG2000PLC033629

(All amounts are in lakhs INR, Except for share data or unless otherwise stated)



| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| A Cash From Operating Activities | | |
| Net profit before tax | 352.98 | 72.94 |
| Adjustment to reconcile profit before tax to net cashflows: | | |
| Depreciation and amortisation expense | 4.37 | 2.74 |
| Finance costs | 27.97 | 22.11 |
| Provisions no longer required written back | - | - |
| Provision for litigation and claims | - | 67.23 |
| Interest Income | (3.43) | (5.70) |
| Operating Profit before Working Capital | 381.89 | 159.32 |
| Adjustments for Working Capital: | | |
| (Increase)/decrease in trade receivables | 51.26 | (5.65) |
| (Increase)/decrease in other current | 21.19 | 43.10 |
| (Increase)/decrease in Other non current | (0.11) | 0.06 |
| Increase/(decrease) in trade payables and other liabilities / financial liabilities | (105.94) | (34.93) |
| Increase/(decrease) in provisions | (60.49) | (17.05) |
| (Decrease)/increase in other liabilities | (11.27) | (47.58) |
| Cash generated from operations | 276.53 | 97.25 |
| - Direct taxes paid (net of taxes paid) | (100.79) | (21.32) |
| Net Cashflow from Operating Activities (A) | 175.74 | 75.93 |
| B Cash Flow From Investing Activities: | | |
| Payments for property, plant and equipment | - | (1.15) |
| Interest Income received | 1.56 | 5.63 |
| Net Cash used in Investing Activities (B) | 1.56 | 4.48 |
| C Cash Flow From Financing Activities | | |
| Proceeds from long term borrowings | (203.70) | 300.00 |
| Payment of Deposit | - | (2.28) |
| Payment of Lease liabilities | (4.56) | (2.89) |
| Interest paid (Finance Cost) | (27.00) | (15.83) |
| Net Cash From Financing Activities (C) | (235.26) | 279.00 |
| Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C) | (57.96) | 359.41 |
| Cash and cash equivalents at the beginning of the year | 360.00 | 0.59 |
| Cash and cash equivalents at the end of the year | 302.04 | 360.00 |
| Components of Cash and cash equivalents | | |
| Balances with banks | | |
| - In current accounts | 301.57 | 359.52 |
| Cash in Hand | 0.47 | 0.48 |
| Total Cash and Cash equivalents | 302.04 | 360.00 |

Summary of significant Accounting Policies 1 & 2

These accompanying notes are an integral part of these financial statements.

In terms of our report of even date.

For **R Subramanian & Company LLP**
Chartered Accountants
FRN: 004137S/S200041

For and on behalf of the Board of Directors

K. Jayasankar
Partner
M.NO: 014156
UDIN: 24014156BKGADV6544
Place: Chennai
Date: 29th May 2024

Sd/-
Neerad Kumar Gajula
Whole-Time Director
DIN: 06810058

Place: Hyderabad
Date: 29th May 2024

Sd/-
Vishnu Sri Ram Gurumurthy
Additional Director
DIN: 08614445

Place: Hyderabad
Date: 29th May 2024

Sd/-
Navya Surpaneni
Chief Financial officer
Place: Hyderabad
Date: 29th May 2024

Sd/-
Shubhi Singhal
Company Secretary
Place: Hyderabad
Date: 29th May 2024

a. Equity Share Capital

| Particulars | As on 31, March 2024 | As on 31, March 2023 |
|---|----------------------|----------------------|
| Balance at the beginning of the reporting year | 792.65 | 792.65 |
| Changes in Equity Share Capital during the year | - | - |
| Balance at the end of the reporting year | 792.65 | 792.65 |

b. Other Equity**For the year ended March 31, 2024**

| Particulars | Attributable to equity shareholders | | |
|-----------------------------|-------------------------------------|----------------------------|-----------------|
| | Retained earnings | Securities Reserve Premium | Total |
| As at April 1, 2023 | (1,841.21) | 1,018.76 | (822.44) |
| Profit for the year | 252.12 | - | 252.12 |
| Other Comprehensive Income | - | - | - |
| As at March 31, 2024 | (1,589.09) | 1,018.76 | (570.33) |

For the year ended March 31, 2023

| Particulars | Attributable to equity shareholders | | |
|-----------------------------|-------------------------------------|----------------------------|-----------------|
| | Retained earnings | Securities Reserve Premium | Total |
| As at April 1, 2022 | (1,893.02) | 1,018.76 | (874.26) |
| Profit for the year | 51.81 | - | 51.81 |
| Other Comprehensive Income | - | - | - |
| As at March 31, 2023 | (1,841.22) | 1,018.76 | (822.45) |

Summary of significant Accounting Policies and Notes on accounts. These accompanying notes are an integral part of these financial statements.

In terms of our report of even date.

For **R Subramanian & Company LLP**

Chartered Accountants

FRN: 004137S/S200041

For and on behalf of the Board of Directors

K. Jayasankar

Partner

M.NO: 014156

UDIN: 24014156BKGADV6544

Place: Chennai

Date: 29th May 2024

Sd/-

Neerad Kumar Gajula

Whole-Time Director

DIN: 06810058

Place: Hyderabad

Date: 29th May 2024

Sd/-

Vishnu Sri Ram Gurumurthy

Additional Director

DIN: 08614445

Place: Hyderabad

Date: 29th May 2024

Sd/-

Navya Surpaneni

Chief Financial officer

Place: Hyderabad

Date: 29th May 2024

Sd/-

Shubhi Singhal

Company Secretary

Place: Hyderabad

Date: 29th May 2024

Note 1 : Corporate Information

Infronics Systems Limited ("The Company") is a listed entity incorporated in the year 2000. The registered office of the company is situated at Plot No: 30, 31, Brigade Towers, West Wing, First Floor, Nanakramguda, Financial District Hyderabad Rangareddi TG 500032 IN. The Company is engaged in the business of "IT and Software Development Services". The shares of the company is listed in the Bombay Stock Exchange.

Note 2 : Material Accounting Policy and Key Accounting Estimates and Judgements

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

Note 2.1 : Basis of Preparation of financial statements

The financial statements have been prepared in accordance with the historical cost convention and presented in INR.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

Accordingly, the company has prepared standalone financial statement which comprises the Balance sheet as at March 31, 2024 , Statement of Profit/(loss) for the year ended March 31, 2024 , Statement of cash flow for the year ended March 31, 2024 , Statement of changes in equity for the year ended March 31, 2024 along with accounting policies and other explanatory informations (together hereinafter referred to as "Standalone Financial statements" or "Financial statement").

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 realised 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 realised 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

Note 2.2 : Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with Ind AS requires management of the Company to make estimates and assumptions and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Examples of such estimates include future obligations under employee retirement benefit plans, recognition of deferred tax assets and useful lives of fixed assets. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Note 2.3 : Revenue recognition

Revenue from Sale of services is recognized based on services provided and billed to clients as per the terms of specific contracts. Revenue from the sale of services is recognized when the sale is completed .

Note 2.4 : Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Freehold land is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items and borrowing cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to profit and loss during the period in which they are incurred.

Depreciation is provided on the basis of straight line method and charged over useful life as per the manner prescribed in Schedule II to the Companies Act, 2013. As per Schedule II useful life of Computers and peripherals are considered as three years.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

Useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Note 2.5 : Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds, net of direct costs of the capital issue.

Note 2.6 : Financial assets

The Company recognises a financial asset (including investments, trade receivables, loans and advances) at transaction price when it becomes a party to the contractual obligations. The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are tested for impairment based on the expected credit losses.

Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership of the asset to another entity. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

Expected credit loss

Expected credit losses are assessed based on an evaluation of the collectability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

Note 2.7 : Financial liabilities

Financial liabilities (including borrowings, other financial liabilities and trade and other payables) are initially recognized at the value of respective contractual obligations and subsequently measured at amortised cost.

Financial liabilities are derecognized when the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Note 2.8 : Impairment of non-financial assets

Assets that are subject to depreciation and amortization are reviewed 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 costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). 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 assessment of the time value of the money and risk specific to the asset or CGU.

Note 2.9 : Borrowing costs

Borrowing costs directly attributable to acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use are also included as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are recognized as expense in the year which they are incurred and charged to statement of Profit and Loss.

Note 2.10 : Inventories

Stores and spares, consumables are valued at lower of cost and net realisable value. Cost is determined on weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Note 2.11 : Employee Benefit**Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme and the contribution are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds is due. There are no other obligations other than the contribution payable to the respective authorities.

Gratuity & Compensated Absences

The company has not provided for gratuity since the number employees are less than 10. Currently there is no carry forward of leave, hence the company does not provide for compensated absences.

Note 2.12 : Taxes on income**Current tax**

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with The Income Tax Act, 1961 of India.

Deferred tax

Deferred tax charge or credit reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Note 2.12 : Earnings per share

Basic earnings per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the 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.

Note 2.13 : Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and short-term deposits with an original maturity period of three months or less.

Note 2.14 : Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

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

Note 2.15 : Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Note 2.16: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability
- c. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, mention a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period). For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

Note 2.17 : Recent Accounting pronouncements

Ministry of Corporate affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Note 3: Property, plant and equipment

| Particulars | Computers and peripherals |
|---------------------------------|---------------------------|
| Gross Carrying Value | |
| As at April 1, 2022 | 1.15 |
| Additions | - |
| Disposals | - |
| As at March 31, 2023 | 1.15 |
| Additions | - |
| Disposals | - |
| As at March 31, 2024 | 1.15 |
| Accumulated Depreciation | |
| As at April 1, 2022 | - |
| Charge for the year | 0.20 |
| As at March 31, 2023 | 0.20 |
| Charge for the year | 0.36 |
| Disposals | - |
| As at March 31, 2024 | 0.56 |
| Net Carrying Value | |
| As at March 31, 2024 | 0.59 |
| As at March 31, 2023 | 0.95 |

Note 4: Right to use asset

| Particulars | Buildings |
|---------------------------------|--------------|
| Gross Carrying Value | |
| As at April 1, 2022 | - |
| Additions | 12.05 |
| Disposals | - |
| As at March 31, 2023 | 12.05 |
| Additions | - |
| Disposals | - |
| As at March 31, 2024 | 12.05 |
| Accumulated Depreciation | |
| As at April 1, 2022 | - |
| Charge for the year | 2.54 |
| Disposals | - |
| As at March 31, 2023 | 2.54 |
| Charge for the year | 4.02 |
| Disposals | - |
| As at March 31, 2024 | 6.56 |
| Net Carrying Value | |
| As at March 31, 2024 | 5.49 |
| As at March 31, 2023 | 9.51 |

The aggregate depreciation expense on right to use assets is included under depreciation and amortization expense in the Statement of Profit and Loss under Note 22.

Note 5: Other Financial Asset

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Balance with bank held as margin money* | 15.87 | 13.99 |
| Total | 15.87 | 13.99 |

* - These balances represents deposits with bank, held as margin money towards non fund based facilities received from banks.

Note 6: Deferred Tax Asset

| Nature - (Liability) / Asset | Balance Sheet | | Statement of Profit / (Loss) for the year ended | |
|--|----------------|----------------|---|----------------|
| | As at | As at | As at | As at |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Deferred Tax (Liabilities) / Asset | | | | |
| Tax effect of provision for Impairment allowance for doubtful debts / movie advance and other assets | - | - | - | - |
| Sec.43B disallowances | - | - | - | - |
| Fixed Assets :Impact of Difference between tax depreciation and Fair valuation of financial assets | 0.12 | 0.19 | 0.07 | (0.19) |
| Total | 0.12 | 0.19 | 0.07 | (0.19) |

Note 7: Other Current & Non-Current Asset

| Particulars | As at | As at |
|--------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| 7.1 Non- Current Assets | | |
| Security Deposit | | |
| - Unsecured, considered good | 2.12 | 2.01 |
| Total | 2.12 | 2.01 |
| 7.2 Current Assets | | |
| Advance paid to vendors | 0.02 | 0.57 |
| Interest Accrued but not due | - | 0.09 |
| Advance Income Tax (Net) | 19.94 | 40.49 |
| Total | 19.96 | 41.15 |

Note 8: Trade Receivable

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Trade receivables | | |
| Unsecured, considered good | 79.32 | 130.58 |
| Unsecured, considered doubtful | - | - |
| | 79.32 | 130.58 |
| Less: Allowance for credit losses | - | - |
| Total | 79.32 | 130.58 |

As at March 31, 2024

| Particulars | Outstanding for following periods from due date of paymnet - March 2024 | | | | Total |
|--|---|-------------------|-------------|----------|--------------|
| | < 6 months | 6 months - 1 Year | 1 - 2 Years | > 2years | |
| (i) Undisputed Trade Receivable - Considered good | 79.32 | - | - | - | 79.32 |
| (ii) Undisputed Trade Receivable - Considered Doubtful | - | - | - | - | - |
| (iii) Disputed Trade Receivable - Considered good | - | - | - | - | - |
| (iv) Disputed Trade Receivable - Considered Doubtful | - | - | - | - | - |
| Total | 79.32 | - | - | - | 79.32 |

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of paymnet - March 2023 | | | | Total |
|--|---|-------------------|-------------|----------|---------------|
| | < 6 months | 6 months - 1 Year | 1 - 2 Years | > 2years | |
| (i) Undisputed Trade Receivable - Considered good | 130.58 | - | - | - | 130.58 |
| (ii) Undisputed Trade Receivable - Considered Doubtful | - | - | - | - | - |
| (iii) Disputed Trade Receivable - Considered good | - | - | - | - | - |
| (iv) Disputed Trade Receivable - Considered Doubtful | - | - | - | - | - |
| Total | 130.58 | - | - | - | 130.58 |

Note 9: Cash and Cash Equivalents

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------|-------------------------|-------------------------|
| Balances with banks: | | |
| – On current accounts | 301.57 | 359.52 |
| Cash on hand | 0.48 | 0.48 |
| Total | 302.05 | 360.00 |

Note 10: Equity share capital**a. Equity share capital**

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | No. of Shares | Amount in Rs. | No. of Shares | Amount in Rs. |
| Authorised | | | | |
| Equity shares of Rs. 10/- each | 11,000,000 | 1,100.00 | 11,000,000 | 1,100.00 |
| Issued | | | | |
| Equity shares of Rs. 10/- each | 7,926,461 | 792.65 | 7,926,461 | 792.65 |
| Subscribed and Paid-up | | | | |
| Equity shares of Rs. 10/- each fully paid-up | 7,926,461 | 792.65 | 7,926,461 | 792.65 |
| Total | 7,926,461 | 792.65 | 7,926,461 | 792.65 |

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

| Equity Shares | As at March 31, 2024 | | As at March 31, 2023 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Issued and Subscribed: | | | | |
| Shares outstanding at the beginning of the year | 7,926,461 | 792.65 | 7,926,461 | 792.65 |
| Add: Issued During the year | - | - | - | - |
| Shares outstanding at the end of the year | 7,926,461 | 792.65 | 7,926,461 | 792.65 |

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

| Name of the Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------|-------------------------|--------------|-------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Gajula Neerad Kumar | 1,414,427 | 17.84% | 1,414,427 | 17.84% |
| Gattupally Reshika Reddy | 1,414,848 | 17.85% | 1,414,848 | 17.85% |
| Kohimti Trivikrama Reddy | 1,415,346 | 17.86% | 1,415,346 | 17.86% |
| Madhusudan Raju Mudunuru | - | - | - | - |
| K Kanaka Durga | - | - | - | - |
| Vindhya Mudunuru | - | - | - | - |
| K. Govardhana Reddy | - | - | - | - |
| Namburi Suryanarayana Raju | - | - | - | - |
| Murallikrishnam Raju Penumatsa | - | - | - | - |

Shares held by Promoters

| Name of the Shareholder | As at March 31, 2024 | | As at March 31, 2023 | | % change during the year |
|--------------------------------|-------------------------|--------------|-------------------------|--------------|--------------------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | |
| Gajula Neerad Kumar | 1,414,427 | 17.84% | 1,414,427.00 | 17.84% | 0.00% |
| Gattupally Reshika Reddy | 1,414,848 | 17.85% | 1,414,848.00 | 17.85% | 0.00% |
| Kohimti Trivikrama Reddy | 1,415,346 | 17.86% | 1,415,346.00 | 17.86% | 0.00% |
| Madhusudan Raju Mudunuru | - | - | - | - | - |
| K Kanaka Durga | - | - | - | - | - |
| Vindhya Mudunuru | - | - | - | - | - |
| K. Govardhana Reddy | - | - | - | - | - |
| Murallikrishnam Raju Penumatsa | - | - | - | - | - |

Infronics Systems Limited
Notes to Standalone Financial Statement for the year ended March 31, 2024

CIN:L72200TG2000PLC033629

(All amounts are in lakhs INR, Except for share data or unless otherwise stated)


Note 11: Other equity

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Securities Premium: Amounts received on issue of shares in excess of the par value has been classified as securities premium. This can be utilized for the purposes stated under Section 52 of Companies Act, 2013. | | |
| Balance at the beginning of the year | 1,018.76 | 1,018.76 |
| Add: Addition During the Year | - | - |
| Balance at the end of the year | 1,018.76 | 1,018.76 |
| Retained earnings : Retained earnings comprises of the Company's prior years undistributed earnings after taxes. | | |
| Balance at the beginning of the year | (1,841.21) | (1,893.02) |
| Add: Addition During the Year | 252.12 | 51.81 |
| Balance at the end of the year | (1,589.09) | (1,841.21) |
| Total other Equity | (570.33) | (822.45) |

Note 12: Borrowings (Non-current)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|-------------------------|-------------------------|
| From Other Parties | | |
| Unsecured Loan from Third Parties# | - | 300.00 |
| Total | - | 300.00 |

#Note :

- Terms of Repayment :** The loan has to be repaid along with Interest on or before August 30th 2024
- Security :** The above loan is an unsecured loan availed from Third Parties
- Rate of Interest :** The loan carries an Interest of 12% Per Annum

Note 13: Borrowings(Current)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------|-------------------------|-------------------------|
| Unsecured Loan### | 101.70 | 5.40 |
| Total | 101.70 | 5.40 |

##Note :

- Terms of Repayment :** The loan has to be repaid along with Interest on or before August 30th 2024
- Security :** The above loan is an unsecured loan availed from Third Parties
- Rate of Interest :** The loan carries an Interest of 12% Per Annum

Infronics Systems Limited**Notes to Standalone Financial Statement for the year ended March 31, 2024**

CIN:L72200TG2000PLC033629

(All amounts are in lakhs INR, Except for share data or unless otherwise stated)

**Note 14: Trade payables**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 82.46 | 131.64 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2.21 | 58.97 |
| Total | 84.67 | 190.61 |

As at March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | Total |
|--|--|--------------|----------|--------------|
| | < 1 Year | 1 - 2 Years | >2 Years | |
| Total outstanding dues of micro enterprises and small enterprises | 0.82 | 81.64 | - | 82.46 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 0.29 | 1.92 | - | 2.21 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Total | 1.11 | 83.56 | - | 84.67 |

As at March 31, 2023

| Particulars | Outstanding for following periods from due date of payment | | | Total |
|--|--|-------------|----------|---------------|
| | < 1 Year | 1 - 2 Years | >2 Years | |
| Total outstanding dues of micro enterprises and small enterprises | 131.64 | - | - | 131.64 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 58.97 | - | - | 58.97 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprise | - | - | - | - |
| Total | 190.61 | - | - | 190.61 |

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|-----------|-----------|
| | ₹ in lakh | ₹ in lakh |
| (i) Principal amount remaining unpaid | 82.46 | 131.64 |
| (ii) Interest due thereon remaining unpaid | - | - |
| (iii) Interest paid by the Company in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day | - | - |
| (iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act | - | - |
| (v) Interest accrued and remaining unpaid | - | - |
| (vi) The amount of interest due and payable to be disallowed under Income-tax Act, 1961 | - | - |

There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

Note 15: Other Current Liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Statutory Dues | 1.30 | 16.44 |
| Employee Benefit Payable | 3.02 | - |
| Others | 6.41 | 5.56 |
| Total | 10.73 | 22.00 |

Note 16: Provisions (current)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Provision related to Service Tax matters (Refer note 26) | - | 60.48 |
| Provision related to Telegana VAT | - | - |
| Total | - | 60.48 |

Infronics Systems Limited**Notes to Standalone Financial Statement for the year ended March 31, 2024**

CIN:L72200TG2000PLC033629

(All amounts are in lakhs INR, Except for share data or unless otherwise stated)**Note 17: Revenue from operations**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------|------------------------------|------------------------------|
| Sale of Service | | |
| Income from SMS Services | 434.06 | 618.15 |
| Total | 434.06 | 618.15 |

Note 18: Other Income

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------|------------------------------|------------------------------|
| Interest on Fixed Deposits | 1.79 | 0.27 |
| Interest on Income tax refund | 1.49 | 5.36 |
| Interest on Security deposit | 0.11 | 0.07 |
| Total | 3.39 | 5.70 |

Note 19: Operating Expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------|------------------------------|------------------------------|
| Sub- Contracting Charges | - | 447.06 |
| Total | - | 447.06 |

Note 20: Employee benefits expense

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Salaries, wages and bonus | 28.20 | 13.88 |
| Contributions to provident fund and other funds | 0.62 | 0.16 |
| Total | 28.82 | 14.03 |

The company has not provided for gratuity since the number employees are less than 10. Currently there is no carry forward of leave, hence the company does not provide for compensated absences.

Infronics Systems Limited**Notes to Standalone Financial Statement for the year ended March 31, 2024**

CIN:L72200TG2000PLC033629

(All amounts are in lakhs INR, Except for share data or unless otherwise stated)

**Note 21: Finance Cost**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------------------|------------------------------|------------------------------|
| Bank charges | 0.30 | 0.04 |
| Interest Expense on Lease Liabilities | 0.97 | 0.87 |
| Interest on loans | 27.00 | 21.23 |
| Interest on GST | 0.47 | - |
| Total | 28.74 | 22.14 |

Note 22: Depreciation and amortization expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Depreciation of tangible assets (Refer Note 3) | 0.36 | 0.20 |
| Depreciation of right to use assets (Refer Note 4) | 4.02 | 2.54 |
| Total | 4.38 | 2.74 |

Note 23: Others expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Professional Charges | 4.40 | 1.40 |
| Advertisement & Publicity Expense | 0.87 | 0.84 |
| Rent | - | 0.24 |
| Subscription Fees | 0.54 | 4.92 |
| Rate & Taxes | 13.39 | 54.41 |
| Telephone & Communication | 0.02 | 0.01 |
| Payment to Auditors (Refer Note below) | 3.23 | 2.55 |
| Printing & Stationery | 0.00 | 0.30 |
| Travel & Accomodation | 0.08 | 0.10 |
| Other Expenses | 0.00 | 0.17 |
| Total | 22.53 | 64.94 |

Payment to Auditors

- As Auditor

Statutory Audit

3.23

2.55

Total**3.23****2.55**

Note 24: Earnings per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------|------------------------------|------------------------------|
| Profit after Tax | 252.12 | 51.81 |
| Weighted Average Equity shares | | |
| - Basic | 7,926,461 | 7,926,461 |
| - Diluted | 7,926,461 | 7,926,461 |
| Earnings per share of Rs. 10 each | | |
| - Basic | 3.18 | 0.65 |
| - Diluted | 3.18 | 0.65 |

Note 25: Leases Disclosure

The Company has entered into lease agreement of office premises with Pinscale Technologies Limited (formerly known as Pinscale Technologies Private Limited till 23th Aug 2023) for a period of 3years.

25.1. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2024 and during the year ended March 31, 2023

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Opening Balance | 9.69 | - |
| Additions | - | 11.71 |
| Finance costs accrued during the year | 0.97 | 0.87 |
| Deletions | | |
| Payment of lease liabilities | (4.56) | (2.89) |
| Closing Balance | 6.10 | 9.69 |
| Disclosed under : | | |
| Non current financial liabilities - Lease liabilities | 1.78 | 5.00 |
| current financial liabilities - Lease liabilities | 4.32 | 4.69 |
| Total | 6.10 | 9.69 |

25.2. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------|------------------------------|------------------------------|
| Less than one year | 4.82 | 4.56 |
| One to five years | 1.83 | 6.65 |
| More than five years | - | - |
| Total | 6.65 | 11.21 |

25.3. Amounts recognized in statement of profit or loss

| Particulars | 2023-24 | 2022-23 |
|---|-------------|-------------|
| Interest on lease liabilities (Refer Note 21) | 0.97 | 0.87 |
| Total | 0.97 | 0.87 |

25.4. Amounts recognized in cash flow statement

| Particulars | 2023-24 | 2022-23 |
|--------------------------------|-------------|-------------|
| Total cash outflows for leases | 4.56 | 2.89 |
| Total | 4.56 | 2.89 |

Note 26 Contingent liabilities, commitments, and leasing arrangements

| Particulars | March 31, 2024 | March 31, 2023 |
|-------------------------------|----------------|----------------|
| (i) Contingent Liability | | |
| (a) Disputed Service Tax Dues | - | 23.70 |
| (b) Penalty on Above | 90.01 | 90.01 |

Note 27.1 : Fair Valuation**Financial assets and liabilities****Fair value hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the financial assets that are measured at fair value on a recurring basis

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Infronics Systems Limited**Notes to Standalone Financial Statement for the year ended March 31, 2024**

CIN:L72200TG2000PLC033629

(All amounts are in lakhs INR, Except for share data or unless otherwise stated)**Note 27.2 : Fair value measurement (Contd)****As at 31 March 2024****₹ in lakh**

| Particulars | Level | Amortised cost | Fair value through other comprehensive income | Fair value through profit and loss | Total carrying value | Total fair value |
|---|-------|----------------|---|------------------------------------|----------------------|------------------|
| Financial assets | | | | | | |
| (a) Trade receivables | 3 | 79.32 | - | - | 79.32 | 79.32 |
| (b) Cash and cash equivalents | 3 | 302.05 | - | - | 302.05 | 302.05 |
| (c) Bank balances other than (c) above | 3 | - | - | - | - | - |
| (d) Other financial assets (Current and non-current) | 3 | 15.87 | - | - | 15.87 | 15.87 |
| Total | | 397.24 | - | - | 397.24 | 397.24 |
| Financial liabilities | | | | | | |
| (a) Borrowings (Current and non-current) | 3 | 101.70 | - | - | 101.70 | 101.70 |
| (b) Lease liabilities (Current and non-current) | 3 | 6.10 | - | - | 6.10 | 6.10 |
| (c) Trade payables | 3 | 84.68 | - | - | 84.68 | 84.68 |
| (d) Other financial liabilities (Current and non-current) | 3 | - | - | - | - | - |
| Total | | 192.48 | - | - | 192.48 | 192.48 |

As at 31 March 2023**₹ in lakh**

| Particulars | Level | Amortised cost | Fair value through other comprehensive income | Fair value through profit and loss | Total carrying value | Total fair value |
|---|-------|----------------|---|------------------------------------|----------------------|------------------|
| Financial assets | | | | | | |
| (a) Trade receivables | 3 | 130.58 | - | - | 130.58 | 130.58 |
| (b) Cash and cash equivalents | 3 | 360.00 | - | - | 360.00 | 360.00 |
| (c) Bank balances other than (c) above | 3 | - | - | - | - | - |
| (d) Other financial assets (Current and non-current) | 3 | 13.99 | - | - | 13.99 | 13.99 |
| Total | | 504.57 | - | - | 504.57 | 504.57 |
| Financial liabilities | | | | | | |
| (a) Borrowings (Current and non-current) | 3 | 300.00 | - | - | 300.00 | 300.00 |
| (b) Lease liabilities (Current and non-current) | 3 | 9.69 | - | - | 9.69 | 9.69 |
| (c) Trade payables | 3 | 190.62 | - | - | 190.62 | 190.62 |
| (d) Other financial liabilities (Current and non-current) | 3 | 5.40 | - | - | 5.40 | 5.40 |
| Total | | 505.71 | - | - | 505.71 | 505.71 |

28 : Financial Risk Management

Financial risk management

The company's financial liabilities mainly comprise of Unsecured term loan, trade payables and other payables. The company's financial assets comprises mainly cash and cash equivalence, trade receivables and other receivables. The company has financial risk exposure in form of Credit risk, Liquidity risk and Interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is exposed to credit risk from its operating activities mainly Trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The provision for doubtful receivables has been historically negligible. The assessment is done at regular intervals and allowance for doubtful trade receivables as at 31 March 2024 is currently not required.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2024

| Financial liabilities | Due within (years) | | | Total |
|--------------------------------------|--------------------|-------------|----------|---------------|
| | Less than 1 year | 1 - 3 years | 3+ years | |
| Borrowings (Refer note 12) | 101.70 | - | - | 101.70 |
| Trade payables (Refer note 13) | 84.68 | - | - | 84.68 |
| Other Current Financials Liabilities | - | - | - | - |
| Total | 186.38 | - | - | 186.38 |

As at 31 March 2023

₹ in lakh

| Financial liabilities | Due within (years) | | | Total |
|--------------------------------------|--------------------|---------------|----------|---------------|
| | Less than 1 year | 1 - 3 years | 3+ years | |
| Borrowings (Refer note 12) | - | 300.00 | - | 300.00 |
| Trade payables (Refer note 13) | 190.62 | - | - | 190.62 |
| Other Current Financials Liabilities | 5.40 | - | - | - |
| Total | 196.02 | 300.00 | - | 496.02 |

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees at Fixed rates of interest. Hence, the company is not exposed to Interest Rate Risk

Foreign currency risk exposure as at balance sheet date

The Company doesn't not have any foreign currency exposure as at the balance sheet date.

Capital management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

The details of borrowings as at the balance sheet date is as follows:

| Particulars | ₹ in lakh | |
|--|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Borrowings (Refer note 12) | 101.70 | 300.00 |
| Less: | | |
| Cash and cash equivalents (Refer note 9) | 302.05 | 360.00 |
| Bank balances other than cash and cash equivalents | - | - |
| Current investments | - | - |
| Net debt | (200.35) | (60.00) |
| Total equity | 222.32 | (29.81) |
| Capital gearing ratio | -90% | 201% |

29 : Tax Expenses

| a) Income tax | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------|----------------------|----------------------|
| Current Tax expenses | 100.79 | 21.32 |
| Income tax of earlier years | - | - |
| Deferred tax expenses | 0.07 | (0.19) |
| Total | 100.87 | 21.13 |

(b) Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:

| Particulars | ₹ in lakh | |
|---|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Profit before tax | 352.98 | 72.94 |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Computed expected tax expense | 88.84 | 18.36 |
| Effect of: | | |
| Timing difference | 0.07 | -0.19 |
| Expenses that are not deductible in determining taxable profit | 2.17 | 20.15 |
| Others | 9.79 | (17.19) |
| Income tax expense reported in the statement of profit and loss | 100.87 | 21.13 |

30 : Employee Benefits**(a) Defined Contribution Plan**

The Company's contribution to provident fund aggregating ₹ 0.21 lakh (previous year : Rs. 0.16 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined Benefit Plans:

The disclosure as per IND AS 19 is not required as the company is not currently covered under the requirements of the Standard

Note 31: Related Party Disclosures

| Relationship with the company | Name of the related party |
|-------------------------------|--|
| (a) Key Managerial Personnel | Neerad Kumar Gajula * Shubhi Singhal ***** Navya Surpaneni Trivikrama Reddy Kothinti *** Prashal Pandey **** |
| (b) Directors | Trivikrama Reddy Kothinti Thanmai Gurijala Deepthi Konakanchi Vishnu Sri Ram Gurumurthy ** |

* Appointed as whole Time Director on 03-Jan-2024

** Appointed as Additional Director on 03-Jan-2024

*** Resigned as Whole Time Director on 03-Jan-2024

**** Resigned as CS on 27-Nov-2023

***** Appointed as CS on 03-Jan-2024

Details of related party transactions during the year ended and balances outstanding as at balance sheet date

| | Ultimate Holding Company | | Fellow Subsidiaries | | Key Management Personnel | |
|---|--------------------------|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Personnel expenses | | | | | | |
| Navya Surpaneni | - | - | - | - | 10.00 | 3.79 |
| Prashal Pandey**** | - | - | - | - | 4.99 | 4.80 |
| Shubhi Singal***** | - | - | - | - | 2.45 | - |
| Trivikrama Reddy Kothinti*** | - | - | - | - | 7.40 | 4.00 |
| Neerad Kumar Gajula | - | - | - | - | 3.71 | - |
| Reimbursement of Expenses | | | | | | |
| Navya Surpaneni | - | - | - | - | 0.15 | 0.30 |
| Trivikrama Reddy Kothinti*** | - | - | - | - | - | 16.40 |
| Shubhi Singal***** | - | - | - | - | 0.01 | - |
| Prashal Pandey**** | - | - | - | - | 0.01 | 0.16 |
| Total | - | - | - | - | 28.72 | 29.45 |
| | | | | | | |
| Balance outstanding as at year end | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Reimbursements payable | | | | | | |
| Navya Surpaneni | - | - | - | - | -0.01 | 0.01 |
| Trivikrama Reddy Kothinti | - | - | - | - | - | 0.85 |
| Prashal Pandey**** | - | - | - | - | - | - |
| Shubhi Singal***** | - | - | - | - | -0.01 | - |
| Total | - | - | - | - | -0.02 | 0.86 |

Note 32: Analytical Ratios

| Particulars | Numerator | Denominator | As at March 31, 2024 | As at March 31, 2023 | Variance (%) | Note Reference |
|----------------------------------|---|------------------------------|----------------------|----------------------|--------------|--------------------|
| Current Ratio | Current assets | Current liabilities | 1.99 | 1.88 | 6% | Refer Note 1 below |
| Debt Equity Ratio | Borrowings | Shareholders's equity | 0.46 | (10.06) | -105% | Refer Note 2 below |
| Debt service coverage ratio | Earnings available for debt service (a) | Debt service (b) | 14.24 | 4.56 | 212% | Refer Note 3 below |
| Return on Equity Ratio | Net profit after taxes | Shareholders's equity | 113.40% | -173.82% | -165% | Refer Note 4 below |
| Trade Receivables Turnover Ratio | Revenue from | Average trade payables | 1.03 | 1.21 | -15% | NA* |
| Trade payables Turnover ratio | Other expenses and Purchase | (including accrued expenses) | - | 0.54 | -100% | Refer Note 4 below |
| Net capital turnover ratio | Revenue from operations | Average working capital | 2.17 | 2.49 | -13% | NA* |
| Net Profit ratio | Net profit after taxes | Total Income | 57.63% | 8.31% | 594% | Refer Note 3 below |
| Return on capital employed | Earning before interest and taxes | Capital employed | 34.94% | 212% | -84% | Refer Note 5 below |

a. Net profit after tax + Non-cash operating expenses + Interest + other adjustments like loss on sale of fixed assets etc.

b. Payment of interest, and repayment of principal

Note Reference

- The current liabilities has been reduced compared to previous year which resulted in increase of ratio
- The company has repaid the 66.67% of the debt during the year and the shareholders equity has increased considerably when compared to previous year which resulted in increase of ratio
- The Profit for the current year has increased considerably when compared to previous year which resulted in increase of ratio
- The management has found a way to reduce the sub-contracting charges, which comprises of most of the cost of the company and the cost has been significantly reduced
- The capital employed for the current year has increased considerably compared to previous year which resulted in decrease of ratio

* The percentage change is less than 25%. Hence, no explanation is required to be provided

33 The Company primarily operates in only one segment ie providing of SMS service to its customer. Hence separate disclosure under Ind AS 108 does not arise.

34 Other Matters

Information with regard to other matters specified in Schedule III to the Act for the years ended 31 March 2023 and 31 March 2024.

(i) The company does not own any immovable properties accordingly, no disclosure as per Amended Schedule III is made.

(ii) The Company has no investment property, hence no disclosure is required.

(iii) The Company has not revalued Property, Plant and Equipment and Intangible assets, hence no disclosure has been made.

(iv) The Company has no Capital Work In Progress and Intangible Assets under Development, hence no disclosure has been made.

(v) The Company do not have any charges or satisfaction, which is yet to be registered with Registrar of Companies beyond the statutory period.

(vi) The Company do not have any transactions with struck off companies.

(vii) The Company has no associate, subsidiary and Joint Venture companies, accordingly no disclosure is regard compliance with No of Layers prescribed under clause 87 of Section 2 of the Companies Act is made.

(viii) The Company do not have any Benami property.

(ix) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(x) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(xi) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(xii) The Company has not entered in any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,

(xiii) There are no borrowings secured against current assets and accordingly no disclosure is required.

(xiv) The company is not declared as a wilful defaulter by any bank or financial institution or any other lender, hence no disclosure is required.

(xv) No scheme of Arrangement has been approved or pending for approval by the competent authority in terms of Section 230 to 237 of the Companies

(xvi) Analytical Ratios are disclosed under Note 32

35 Previous year figures have been reclassified/regrouped to conform to this year's classification.

36 The figures has been rounded off to nearest Lakhs

For **R Subramanian & Company LLP**

Chartered Accountants

FRN: 004137S/S200041

For and on behalf of the Board of Directors

K. Jayasankar

Partner

M.NO: 014156

UDIN: 24014156BKGADV6544

Place: Chennai

Date: 29th May 2024

Sd/-

Neerad Kumar Gajula

Whole-Time Director

DIN: 06810058

Place: Hyderabad

Date: 29th May 2024

Sd/-

Vishnu Sri Ram Gurumurthy

Additional Director

DIN: 08614445

Place: Hyderabad

Date: 29th May 2024

Sd/-

Navya Surpaneni

Chief Financial officer

Place: Hyderabad

Date: 29th May 2024

Sd/-

Shubhi Singhal

Company Secretary

Place: Hyderabad

Date: 29th May 2024