

September 07, 2019

To,  
The Secretary,  
BSE Limited,  
P J Towers,  
Dalal Street,  
Mumbai – 400 001.

Dear Sir,

Sub : Annual Report for the year ended March 31, 2019

Ref : Scrip Code : 531225 – Frontier Informatics Limited

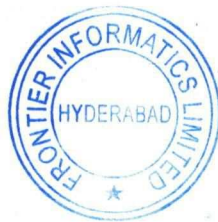
Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report for the year ended March 31, 2019 sent to the shareholders of the company, which, inter-alia contains the Notice of the 31<sup>st</sup> Annual General Meeting of the company to be held on Monday, September 30, 2019. Copy of the annual report is also available on our website viz., [www.fitlindia.com](http://www.fitlindia.com)

Thanking you,

Yours faithfully,

*v sreedevi*

Vuppuluri Sreedevi  
Whole-time director  
DIN:02448540



**31<sup>st</sup>**  
**ANNUAL REPORT**  
**2018 -19**



**Board of Directors**

- |   |                       |
|---|-----------------------|
| 1. <b>Mr. Ramarao Atchuta Mullapudi</b>   | Chairman and Director |
| 2. <b>Ms. Vuppuluri Sreedevi</b>          | Whole-time Director   |
| 3. <b>Mr. Rajan Babu Mothe</b>            | Independent Director  |
| 4. <b>Ms. Archana Singh</b>               | Independent Director  |
| 5. <b>Ms. Kolla Sudha</b>                 | Independent Director  |
| 6. <b>Mr. Vivekananda Sree Pakalapati</b> | Director              |

**Company Secretary**

Ms. Aditi Jha  
(Resigned on 12.06.2019)

**Auditors**

M/s. Niranjana & Narayan, Chartered Accountants,  
First floor, H No 7-1-28/1/A/21, Shyamkaran Road,  
Ameerpet, Hyderabad- 500016.

**Secretarial auditor**

M/s. VCSR & Associates, Company Secretaries,  
# 8-3-945, 3rd Floor, F No 305 A & B, Pancom  
Business Centre, Ameerpet, Hyderabad - 500 073.

**Bankers**

**ICICI Bank Ltd.**, Jubilee Hills branch,  
Hyderabad  
**State Bank of India**, Ashok Nagar branch,  
Hyderabad  
**Bank of India**, Hitech city branch,  
Hyderabad

**Registered Office**

Plot No 31P & 32, Tower-A, 3rd Floor,  
Ramky Selenium, Financial District,  
Nanakramguda, Hyderabad – 500 032.  
Ph No : 040 23007456  
E-mail Id: company.secretary@fitlindia.com

**Stock exchanges where securities are listed**

Bombay Stock Exchange Limited (BSE)

**Registrar and Share Transfer Agent**

Karvy Fintech Private Limited,  
Plot No 31P&32, Karvy Selenium, Tower – B,  
Financial District, Nanakramguda, Hyderabad – 500 032.  
Phone: +91-040-67161530  
E-mail Id: einward.ris@karvy.com

**Corporate Identification Number**

L72200TG1986PLC006644

**Website**

www.fitlindia.com

# The Road Ahead

“Throughout the centuries there were men who took first steps, down new roads, armed with nothing but their own vision.”

**-Ayn Rand**

The Indian IT industry is still untapped in terms of its resources and capabilities. Even though the Indian IT industry forms a big part of the billion-dollar IT exports pie, we can claim an even larger share given our capacity and competitive advantages. The last two decades have shown our incredible abilities to take on latest developments and become the world leader in IT services at competitive prices. Adopting the back-office processes for large corporation has become the backbone of our own economy, improving our image as a provider of quality services.

The current scenario is more promising than it has ever been. There are tremendous opportunities in every field for innovation and automation. Every company, both big and small, is ready to jump onto the digital bandwagon because it is seen as the pathway to a positive social media image, which in turn is seen as the precursor to success. Businesses are finding new ways to find their own space within a smart phone in the form of an app with features so advanced that one couldn't have even imagined them just a few years ago. All this change brings with it incredible amounts of data that needs to be sieved, sorted and analyzed for effective decision making. This is where companies like Frontier can focus on since we have the vision to foresee these changes and the capabilities to address them.

Frontier aims to kickoff its resurrection in three key areas: **Managed Services, App Development,** and **Cloud Solutions** keeping in mind our competencies and resources as well as the present-day requirements. With this framework in mind, we hope to drive Frontier on the path to success.



## Chairman's Message

Now is the best time for companies to pitch their skills because technology is being pushed beyond its limits in developing innovative products and services. In order to make our clients and partners more responsive towards the changing consumer expectations, we need to be able to provide them with digital transformation capabilities and AI technologies to help them deal with the shifts in business and to become more competitive. In order to be able to develop enhanced products and services, we first have to see where companies are headed in the digital space, how they are re-orienting their goals, how they are updating their infrastructure and how ready they are to face the future. Along with deepening access into all aspects of consumers' lives, there is an obligation to provide security and privacy over multiple channels.

In the future, all interactions are tech-driven, right from sourcing to delivering the end product to the consumer. Each interaction is an opportunity to create customized, on-demand solutions to increase companies' operational efficiency and agility while decreasing risk exposure.

Businesses have to be taught how to survive in the digital ecosystem through constant learning, reinvention, and technology. As a technology partner, we have to focus on redesigning workplaces, developing customized digital infrastructure, establishing



In the future, all interactions are tech-driven and each interaction is an opportunity to create customized, on-demand solutions to increase companies' operational efficiency and agility while decreasing risk exposure.

**Mr. Ramarao Atchuta Mullapudi**  
Chairman and Director

suitable talent sources, and ensuring efficient knowledge and technology transfer. One big challenge that most companies are now facing is the shortage in digital skills. For this, more than looking for talent externally, we must focus on developing internal talent through continuous learning programs, skills exchange, open forums for learning, digital courses and other ways in order to make digital knowledge a core advantage.

2019 is going to be a new beginning for Frontier. For the last one year, we have focused on developing the tools and the ideologies on which the company will make a comeback and I now hope that we have done enough to propel the company towards success. With a two-pronged approach that involves 1. Creation of generic value models and 2. focus on specialized applications, we want to build on our core strengths while staying abreast of new changes.

I thank all shareholders and the Board of Directors for staying with us in our endeavor to revive a company, which I believe, has the potential to get back on its feet given the right impetus.

## The Year at a Glance

On the exterior, 2018-2019 remained an uneventful year for Frontier- but that doesn't mean that nothing is happening. The behind-the-scenes action has been unfolding keeping in mind our commitment towards our shareholders, employees and every one of our stakeholders. Our vision as to why we have taken on this veteran hasn't wavered one bit- it has, in fact, strengthened more than ever. In the last one year, we have come up with blueprints for a strategy for not just revival but survival in a world that is competitive yet welcoming to talent, innovation and expertise.

The Board of Directors thank all our shareholders for continuing to support us and to trust us with Frontier.



# NOTICE

**FRONTIER INFORMATICS LIMITED**  
**CIN : L72200TG1986PLC006644**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the members of M/s. FRONTIER INFORMATICS LIMITED will be held at 10:30 AM on Monday, the 30<sup>th</sup> day of September, 2019 at Hotel Minerva Grand, Hall summit, first floor, Beside 'Google' office, Kondapur, Hyderabad - 500 084, Telangana to transact the following business:

## ORDINARY BUSINESS:

### 1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2019 the Profit & Loss Account and Cash Flow Statement for the period ended on 31<sup>st</sup> March, 2019, along with schedules and annexure and the reports of the Board of Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted."

### 2. Appointment of Director

To appoint a Director in place of Mr. Ramarao Atchuta Mullapudi (DIN:02302179), who retires by rotation, and being eligible, offers himself for re-appointment.

**"RESOLVED THAT** Mr. Ramarao Atchuta Mullapudi (DIN:02302179) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

### 3. Appointment of Statutory Auditors

**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 Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the appointment of M/s. Niranjana & Narayan, Chartered Accountants, Firm Regn. No: 005899S, as statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company for the period of one year at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

## SPECIAL BUSINESS:

### 4. Appointment of Ms. Kolla Sudha as an Independent 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Kolla Sudha (DIN: 06603646), Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, whose term expires at the ensuing 32<sup>nd</sup> Annual General Meeting of the Company."

**"RESOLVED FURTHER THAT** that the Board of Directors be and are hereby authorised to do all such acts, deeds and things and give such directions as may be necessary in the best interest of the company for giving effect to aforesaid Resolutions but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion"

### 5. Approval for Related Party Transactions

**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 Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Xenosoft Technologies (India) Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for leasing/rent of its office space



owned/leased by Xenosoft Technologies (India) Private Limited, Hyderabad on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 100 Lakhs for the financial years 2019-20 and 2020-21, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

#### 6. Approval for Related Party Transactions

**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 Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with XTGlobal Inc., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for sale of its IT and IT consulting services, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 10 Crores and 25 Crores for the financial years 2019-20 and 2020-21 respectively, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

#### 7. Approval for Related Party Transactions

**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 Section 188 of the Companies Act, 2013 ("Act") and other ap-

plicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Circulus LLC, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for sale of IT & IT services on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 5 Crores and 10 Crores for the financial year 2019-20 and 2020-21 respectively, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

#### 8. Appointment of Mr. Ramarao Atchuta Mullapudi (DIN: 02302179) as a Chairman and Managing Director of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, or any other law and subject to such consent(s), approval(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors, consent of the members be and is hereby accorded to the appointment of Mr. Ramarao Atchuta Mullapudi as a Chairman and Managing Director of the Company for a period of five years with effect from 01<sup>st</sup> October 2019 to 30<sup>th</sup> September 2024, on the terms and conditions as set out by the Nomination and remuneration committee and approved by Board of Directors of the company and as set out in the explanatory statement forming part of this resolution."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution the Board be and is hereby authorized to do all acts, deeds and matters that, it may, in its absolute discretion, deem necessary or desirable including without remuneration to settle any question or

difficulty that may arise in this regard.”

**9. To consider preferential allotment of shares if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Act”) to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 2013 (as amended) (without reference to the provisions that have caused to have effect upon notification of provisions of the Act) and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI (ICDR) Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the rules, regulations, notifications and circulars issued thereunder and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Securities and Exchange Board of India (“SEBI”) and the Reserve Bank of India (“RBI”) and subject to such approvals, consents, permissions and sanctions as may be

necessary or required from regulatory or other appropriate authorities, including but not limited to SEBI and subject to such conditions and modifications as might be prescribed while granting such approval, consents, permissions and sanctions and which terms may be agreed to by the Board of Directors of the Company (the “Board”, which term includes a duly constituted and authorized committee), all such other approvals and subject to the approval of Members of the Company through general meeting be and is hereby accorded to the Board to offer, issue, allot and deliver 4,40,00,000 (Four Crore Forty Lakhs only) Equity Shares of face value of Rs. 1/- each at a Price of Rs. 3.5/- each (including a premium of Rs. 2.5/- per Equity share) amounting to Rs. 15,40,00,000 (Rupees Fifteen Crore Fourty Lakhs only) to the under mentioned persons, on preferential basis for consideration other than cash i.e swap of Equity shares and since the below mentioned persons being the shareholders of the company Xenosoft Technologies (India) Private Limited,(CIN : U72200TG2006PTC049779) ‘Target company’ having PAN: AAACX0478Q and its registered office at Plot No 31P&32, Tower-A, 3rd Floor, Ramky Selenium, Financial District, Hyderabad – 500 032 and these shares shall rank pari-passu with the existing equity shares of the Company based on the valuation report obtained by the company in accordance with applicable laws, at such price determined in accordance with Chapter V of SEBI (ICDR) Regulations, 2018 or other provisions of the law as may be prevailing at the time.”

| S. No.         | Name of Allottee                | Value in Rs.        | No. of shares proposed to be allotted |
|----------------|---------------------------------|---------------------|---------------------------------------|
| 1              | Ramarao Atchuta Mullapudi       | 11,93,27,929        | 3,40,93,694                           |
| 2              | Harika Vardhani Mullapudi       | 1,02,37,297         | 29,24,942                             |
| 3              | Vuppuluri Sri Rama Rudra Prasad | 7,84,252            | 2,24,072                              |
| 4              | Batlanki Lakshmi Narasimham     | 1,12,31,630         | 32,09,037                             |
| 5              | Sharyala Gangadhar              | 91,74,522           | 26,21,292                             |
| 6              | Gasparro Diane                  | 11,76,382           | 3,36,109                              |
| 7              | Dunna Venkata Ravindra          | 7,48,450            | 2,13,843                              |
| 8              | Vuppuluri Subbarao              | 4,79,265            | 1,36,933                              |
| 9              | Vuppuluri Jayalakshmi           | 4,79,265            | 1,36,933                              |
| 10             | Vasanth Velupandian             | 1,36,934            | 39,124                                |
| 11             | Venkata Vijayram Dunna          | 1,24,485            | 35,567                                |
| 12             | Raja Sekhar Kunkuma             | 99,589              | 28,454                                |
| <b>Total :</b> |                                 | <b>15,40,00,000</b> | <b>4,40,00,000</b>                    |

**“RESOLVED FURTHER THAT:**

- i. The Equity Shares as may be issued and allotted in accordance with the terms of the relevant offering, shall rank pari passu with the existing Equity Shares of the Company in all respects, including in respect of dividend;
- ii. The Equity Shares shall be issued and allotted by the Company to the subscribers in dematerialized form within a period of 15 days from the date of passing of this Special resolution provided that where the issue and allotment of the said Equity Shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government or the Stock Exchange, the issue and allotment shall be completed within a period of 15 days from the date of such approval.
- iii. the Equity Shares to be offered, issued and allotted shall be subject to lock-in as provided under the provisions Chapter V of the SEBI (ICDR) Regulations 2018 and the Equity Shares so offered, issued and allotted will be listed subject to the receipt of necessary regulatory permissions and approvals.
- iv. For the purpose of giving effect to the foregoing and without being required to seek any further consent or approval of the Members of otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, the Board be and is hereby authorized for and on behalf of the Company:
  - a. To enter into and execute all such agreements/arrangements as the case may be with any authorities/agencies listing of the Shares/Securities on Exchange(s);
  - b. To settle any questions, difficulties, doubts that may arise in regard to the offer, issue and allotment of securities and utilization of the issue proceeds as it may in its absolute discretion deem fit;

**“RESOLVED FURTHER THAT** subject to the SEBI (ICDR) Regulations 2018 and other applicable laws, the Board be and is hereby authorised to decide and approve terms and conditions of the issue of the above-mentioned equity shares and to vary, modify or alter the terms and conditions, including size of the issue as it may deem expedient.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to create, offer, issue and allot up to 4,40,00,000 (Four Crore Forty Lakhs) equity shares of Rs. 1/- (Rupee One) each at a Price of Rs. 3.5/- each (including a premium of Rs. 2.5/- per Equity share) amounting to Rs. 15,40,00,000 (Rupees Fifteen Crore Fourty Lakhs only) fully paid

up, on a preferential basis to the subscribers and that upon receipt of such non-cash consideration by the Company from the shareholders of target company(i.e. swap of existing shares) based on the valuation report obtained by the Company in accordance with applicable law including section 62 of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules 2014, the full consideration payable by the subscribers in relation to the 4,40,00,000 (Four Crore Forty Lakhs) equity shares of Rs. 1/- (Rupee One) each at a Price of Rs. 3.5/- each (including a premium of Rs. 2.5/- per Equity share) amounting to Rs. 15,40,00,000 (Rupees Fifteen Crore Fourty Lakhs only) shall be deemed to be received by the Company in accordance with all applicable laws.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, including size of the Preferential Issue and consequent proportionate reduction (subject to rounding off adjustments) of the number of equity shares to be allotted to listed allottees and to provide any clarifications related to issue and allotment of equity shares, listing of equity shares on Stock Exchange and authorise for preparation, execution and entering into arrangement / agreements, offer letter, letter of allotment, all writings, instruments and such other documents (including documents in connection with appointment of agencies, intermediaries and advisors) and further to authorise all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.”

**“RESOLVED FURTHER THAT** the Board be and is hereby also authorised to delegate all or any of its powers to any officer(s) or authorised signatory(ies) to give effect to this resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and advisors to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this connection.”

## 10. Approval for change in name of the Company

**To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 4, 5, 13 and 14 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and any other applicable law(s), rule(s), regulation(s), guideline(s), the provisions of the Memorandum and Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of the Central Government and / or any other authority as may be necessary, consent of the members be and is hereby accorded for change of name of the Company from "Frontier Informatics Limited" to "XTGlobal Infotech Limited" or any other name as may be approved by the statutory authorities, whether under the Companies Act, 2013 or any other rules, laws, acts, statutes or regulations as may be applicable to the Company."

**"RESOLVED FURTHER THAT** upon issuance of the fresh certificate of incorporation by the Registrar of Companies consequent upon change of name, the old name "Frontier Informatics Limited" as appearing in Name Clause of the Memorandum of Association of the Company and wherever appearing in the Articles of Association of the Company and other documents and places be substituted with the new name "XTGlobal Infotech Limited. Name Clause being Clause I of the Memorandum of Association of the Company be substituted by the following clause and / or be altered as per the name approved by the statutory authorities:

**The name of the Company is " XTGlobal Infotech Limited."**

**"RESOLVED FURTHER THAT** any Director of the Company be and is hereby severally authorised to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit."

## 11. Appointment of Mr. China S N Murthy Anupindi (DIN:05149921) as an Independent 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. China S N Murthy Anupindi (DIN:05149921), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a term of one year whose term expires at 32<sup>nd</sup> AGM of the company.

## 12. Appointment of Mr. Sreenivasa Rao Potti (DIN: 05119348) as an Independent 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, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sreenivasa Rao Potti (DIN: 05119348), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a term of one year whose term expires at 32<sup>nd</sup> AGM of the company.

By order of the Board of Directors  
For Frontier Informatics Limited

SD/-

Date: 05<sup>th</sup> September, 2019

Place: Hyderabad

Vuppuluri Sreedevi  
Whole-time Director  
DIN: 02448540

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the Meeting. A Proxy form is annexed with this Notice. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. All documents referred to in the accompanying notice and the statement shall be open for inspection at the Registered Office of the Company during normal business hours from 11:00 AM to 5:00 PM on all working days, up to and including the date of the Annual General Meeting of the Company and will also be available for inspection at the meeting.
5. Members/Proxies are requested to bring their duly filled attendance slip sent herewith at the meeting.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form or transferees of Physical Shares must furnish their self-attested copy of the PAN card to the Company/ Registrar and Share Transfer Agents.
7. Members are requested to:
  - a.) intimate any change in their addresses/mandates

and address all their queries relating to shares of the Company to the Registrar and Share Transfer Agents i.e. Karvy Fintech Pvt. Ltd., for shares held in physical form.

- b.) quote Client ID and DP ID in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form in all the correspondence.
  - c.) make nomination in respect of the shares held in physical form in the Company. The Nomination Form as prescribed by the Ministry of Corporate Affairs can be obtained from the Registrar and Share Transfer Agents of the Company. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
8. E-Voting
    - i.) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting ("AGM") by electronic means and the business may be transacted through E-voting services arranged by Karvy Fintech Private Limited ("karvy"). The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote E-voting").
    - ii.) The facility for voting through electronic voting system or polling paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote E-voting shall be able to exercise their right at the AGM.
    - iii.) The Members who have cast their vote by remote E-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
    - iv.) The remote E-voting period commences on Friday 27<sup>th</sup> September, 2019 (09:00 AM IST) and ends on 29<sup>th</sup> September, 2019 (05:00 PM IST). During this period, Members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Monday, 23<sup>rd</sup> September, 2019, may cast their vote by remote E-voting. The remote E-voting module shall be disabled by karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

**A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:**

- i Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) \_\_\_ followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii After entering these details appropriately, click on "LOGIN".
- iv You will now reach password change Menu where in you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v You need to login again with the new credentials.
- vi On successful login, the system will prompt you to select the " " i.e., 'FRONTIER INFORMATICS LIMITED'.
- vii On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x You may then cast your vote by selecting an appropriate option and click on "Submit".

- xi A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID: [chveeru@gmail.com](mailto:chveeru@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_Event No."

**B. In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:**

- i. E-Voting Event Number – (EVEN), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

**OTHER INSTRUCTIONS**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. B Srinivas , Manager (Unit: FRONTIER INFORMATICS LIMITED ) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at email ID : [einward.ris@karvy.com](mailto:einward.ris@karvy.com) and [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1-800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Friday,

27<sup>th</sup> September, 2019 (9:00 A.M. IST) and ends on Sunday, 29<sup>th</sup> September, 2019 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 23<sup>rd</sup> September, 2019.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 23<sup>rd</sup> September, 2019, he/she may obtain the User ID and Password in the manner as mentioned below :

- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
Example for NSDL:  
MYEPWD <SPACE> IN12345612345678

Example for CDSL:  
MYEPWD <SPACE> 1402345612345678

Example for Physical:  
MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Member may call Karvy's toll free number 1800-3454-001.

Member may send an e-mail request to [einward.ris@karvy.com](mailto:einward.ris@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

The Board of Directors has appointed Mr. Ch. Veeranjanyulu (C.P. No- 6392), Partner of M/s VCSR & Associates, Company Secretaries, as scrutinizer to scrutinize the remote evoting and poll voting process in fair and transparent manner. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting (AGM), first count the votes cast at the

AGM thereafter he will unblock the votes castes through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will submit the Consolidated Scrutinizer's Report, not later than 3 working days, of total votes cast in favor or against, if any, to the Chairman of the Company.

By order of the Board of Directors  
For Frontier Informatics Limited

SD/-

Date: 05<sup>th</sup> September, 2019

Place : Hyderabad

Vuppuluri Sreedevi

Whole-time Director

DIN: 02448540

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the items of business of the accompanying notice dated 05<sup>th</sup> September, 2019

### ITEM No. 3

#### Brief Detail of Statutory Auditor seeking appointment at the 31<sup>st</sup> Annual General Meeting:

{Pursuant to Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

|   |   |
|---|---|
| <b>Name of Statutory Auditor</b>  | M/s. Niranjana & Narayan, Chartered Accountant  |
| <b>FRN</b>  | 005899S   |
| <b>Proposed fees payable</b>  | 50,000 /- (Rupees Fifty thousand Only)  |
| <b>Terms of appointment</b>   | Appointed from the conclusion of 31 <sup>st</sup> AGM till the conclusion of 32 <sup>nd</sup> AGM.  |
| <b>Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change</b> | No material change in Fee payable to the proposed auditor.  |
| <b>Basis of recommendation for appointment</b>  | The firm and the partners have vast experience of statutory audits, Internal audits and concurrent audits including Statutory Audits of Branches of various nationalized banks.   |
| <b>Details in relation to and credentials of the statutory auditor(s)</b>   | M/s. Niranjana & Narayan, Chartered Accountants is a partnership firm engaged in the profession of Chartered Accountancy. The firm has an overall standing of more than a decade. |

### ITEM No. 4

Ms. Kolla Sudha has been a Non-Executive Director of the Company since 19<sup>th</sup> July, 2018 and is considered as an Independent Director under Resolution 16(1)(b) of the securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Resolution 2015.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1<sup>st</sup> April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Ms. Kolla Sudha has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Ms. Kolla Sudha as Independent Director was placed before the Nomination & Remuneration Committee, which commends her appointment as an Independent Director up to the ensuing 32<sup>nd</sup> Annual General Meeting.

In the opinion of the Board, Ms. Kolla Sudha fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and she is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, and in compliance with SEBI (LODR) Regulations, 2015 the appointment of Ms. Kolla Sudha as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company.

Other than Ms. Kolla Sudha, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.



**ITEM No. 5, 6 & 7**

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders through resolution. The said Regulation further provides a definition of the term 'Material' as follows:

"A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company."

As a part of its regular business, the Company Frontier Informatics Limited is engaged in the business of software development and IT consultancy services. The company would like to use the office premises of Xenosoft Technologies (India) Private Limited for its business purposes.

The company expects to indulge in sale of IT and IT consultancy services with XTGlobal Inc and Circulus LLC.

XTGlobal Inc is a Subsidiary of Xenosoft Technologies (India) Pvt. Ltd and Frontier Informatics Limited is a company having common directors with Xenosoft Technologies (India) Pvt. Ltd. About circulus LLC. Mr. Ramarao Atchuta Mullapudi is a partner of Circulus LLC.

The Audit Committee of the Board of Directors of the Company reviewed the proposed transactions between the Company and Xenosoft Technologies (India) Pvt. Ltd; XTGlobal Inc. and Circulus LLC after that recommended the same for approval by the Board of Directors and Members of the Company. The Board of Directors also at their meeting held on 05<sup>th</sup> September 2019 reviewed the transactions with Xenosoft Technologies (India) Pvt. Ltd., XT Global Inc. and Circulus LLC proposed the same to be placed before the Members for their approval.

The Members' approval to the above material related party transactions is sought in terms of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Ms. Vuppuluri Sreedevi, Whole-time Director and Mr. Ramarao Atchuta Mullapudi, director being interested in the Xenosoft Technologies (India) Pvt. Ltd. and Mr. Ramarao Atchuta Mullapudi, director being interested in XTGlobal Inc and Circulus LLC with respect to transactions at Item No. 5,6 & 7 as Directors of the Company, no other Director, Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos.

5,6 & 7 of the Notice.

The Members' approval is solicited for the resolutions at Item Nos. 5,6 & 7 of the accompanying Notice.

**ITEM No. 8**

Mr. Ramarao Atchuta Mullapudi, is the Promoter Director of the Company and has been engaged in the day to day activities of the Company since last year and half.

Considering his vast experience in the field of software and Computer applications, it is proposed to appoint him as Managing Director and Chairman of the Company for a period of 5 years with effect from 01<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2024. The Board of Directors of the Company in their meeting held on 05<sup>th</sup> September, 2019 appointed Mr. Ramarao Atchuta Mullapudi, as the Managing Director and Chairman of the Company subject to necessary approval by shareholders in the Annual General Meeting and further approval of other regulatory authorities including BSE and Central Govt.

In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment of Mr. Ramarao Atchuta Mullapudi (DIN: 02302179) as Managing Director and Chairman of the Company. The Board after taking confirmation with Nomination and Remuneration Committee recommend the resolution as set out in item no.8 for approval of the members as a Special Resolution.

This intimation may be treated as an abstract of the terms and conditions governing the appointment and payment of remuneration to the Managing Director, as required under the provisions of the Companies Act, 2013.

None of the Directors other than Mr. Ramarao Atchuta Mullapudi is interested in the respective Resolution.

**ITEM No. 9**

Your Company proposes to acquire 33.94% of total equity of Xenosoft Technologies (India) Pvt Ltd (Xenosoft) which is engaged in the business of Information Technology and Information Technology Enabled Services and accordingly a resolution has been passed to issue and allot 4,40,00,000 Equity shares of Rs. 1/- each at an issue price of R. 3.5 each (a premium of Rs. 2.5/- per share) amounting to Rs. 15,40,00,000/- on preferential basis to the shareholders of Xenosoft in proportion to their respective shareholding in the Xenosoft for consideration other than cash i.e. i.e swap of Equity shares by allotment of above said equity shares through preferential basis to augment future prospects of the Company. In view of this, it is proposed to create, offer, issue and allot 4,40,00,000 (Four Crore Forty Lakhs Only) Equity shares of Rs.1/- each fully paid at an issue price of R. 3.5 each (a premium of Rs. 2.5/- per share) amounting to Rs. 15,40,00,000/- to the share holders as identified in the proposed resolution. The company is in receipt of letters from the proposed allottees, undertaking to

contribute to their respective shares after appropriate procedural aspects are completed.

Xenosoft Technologies (India) Private Limited is a Private Limited Company incorporated under the Companies Act, 1956 (CIN: U72200TG2006PTC049779) having its Registered Office at Ramky Selenium, P.No.31 Part & 32, Tower A, 3rd Floor, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032. Engaged in the business activity of Software development, IT consulting and other IT enabled services since last 13 years. The Company is having markable growth in past years and having consolidated turnover around INR200 Crores in the Financial Year 2018-19. It is a Holding Company of XTGlobal Inc, a USA based Company having renowned name in IT sector and it was awarded as fastest growing Company in the years 2007 to 2013. Circulus LLC. is a product based enterprise in USA having renowned name as a quality provider of services.

The details of the issue and other particulars as required in terms of the Chapter V of the SEBI (LODR) Regulations, 2018 in relation to the above said Special Resolution are given as under.

- a. **Object of the issue:** To acquire Equity shares of Xenosoft Technologies (India) Pvt. Ltd. and to expand the Business operations of the Company.
- b. **Maximum number of specified securities to be issued and price of the equity share:** The resolution set out in the accompanying notice authorizes the Board to issue up to 4,40,00,000 Equity shares of Rs.1 each at a price of Rs. 3.50/- each (including premium of Rs. 2.50 per share) on preferential basis for consideration other than cash i.e i.e swap of Equity shares.
- c. **Basis on which the price has been arrived at along with report of the registered valuer:** The price of equity shares to be issued is fixed at Rs. 3.50/- including a premium of Rs. 2.50/- per equity share of Face Value of Rs.1/- each in accordance with the price determined in terms of Regulations of the ICDR Regulations, 2018.
- d. **Relevant date with reference to which the price has been arrived at:** The relevant date in terms of Regulation 161(a) of SEBI (ICDR) Regulations, 2018 for determining the price of Equity share with reference to the proposed allotment is not applicable for the preferential allotment as the shares of the company are not frequently traded.
- e. **The class or classes of persons to whom the allotment is proposed to be made:** The Company is Offering shares to subscribe through preferential basis to the Promoter, Directors and some identified persons.
- f. **Intention of Promoters, Directors or Key Managerial Personnel to subscribe the offer:** None of the Directors, Key Managerial Personnel or Promoters of the Company except Mr. Ramarao Atchuta Mullapudi, one of the promoters and promoter group of the Company intend to subscribe to the Preferential Allotment.
- g. **The proposal for Preferential Allotment to Promoters, Directors Key Management persons to subscribe to the offer:** The details of Promoters, Directors, Key Management persons and other identified persons of the Company intending to subscribe for the equity shares, with their present and proposed shareholding is as under:

| Name of the Promoter                  | Present Shareholding (No of Shares) | Present Shareholding % | Proposed Preferential Allotment (No of Shares) | Total Shares (post preferential Allotment) | Total Post-allotment% | Increase/ (Decrease) in % |
|---------------------------------------|-------------------------------------|------------------------|--|--|-----------------------|---------------------------|
| <b>Promoters &amp; Promoter Group</b> |                                     |                        |  |  |                       |                           |
| Ramarao Atchuta Mullapudi             | 2,55,00,125                         | 50.04                  | 3,40,93,694                                    | 5,95,93,819                                | 62.76                 | 12.72                     |
| Harika Vardhani Mullapudi             | -                                   | -                      | 29,24,942                                      | 29,24,942                                  | 3.08                  | 3.08                      |
| Vuppuluri Sri Rama Rudra Prasad       | -                                   | -                      | 2,24,072                                       | 2,24,072                                   | 0.24                  | 0.24                      |
| Vuppuluri Subbarao                    | -                                   | -                      | 1,36,933                                       | 1,36,933                                   | 0.14                  | 0.14                      |
| Vuppuluri Jayalakshmi                 | -                                   | -                      | 1,36,933                                       | 1,36,933                                   | 0.14                  | 0.14                      |
| <b>Total</b>                          | <b>2,55,00,125</b>                  | <b>50.04</b>           | <b>3,75,16,574</b>                             | <b>6,30,16,699</b>                         | <b>66.36</b>          | <b>16.32</b>              |

**h. Shareholding pattern before and after preferential issue of the capital would be as follows:**

| S. No.  | Category  | Pre issue holding details |                | Post issue holding details |                |
|---|---|---------------------------|----------------|----------------------------|----------------|
|   |   | Total Number of Shares    | % of shares    | Total Number of shares     | % of Shares    |
| A Shareholding of Promoters & Promoter Group: |   |                           |                |                            |                |
| 1   | Indian Promoters & Promoter Group   | 7,61,275                  | 1.49%          | 12,59,213                  | 1.33%          |
| 2   | Foreign Promoters & Promoter Group  | 2,55,00,125               | 50.04%         | 6,25,18,761                | 65.84%         |
|   | Sub-Total (A)   | 2,62,61,400               | 51.54%         | 6,37,77,974                | 67.17%         |
| B Public Share holding                        |   |                           |                |                            |                |
| 3   | Institutions  |                           |                |                            |                |
| A   | Financial Institutions/Banks  | 600                       | 0.00%          | 600                        | 0.00%          |
| B   | Mutual Funds & UTI  | 5,900                     | 0.01%          | 5,900                      | 0.00%          |
| C   | Venture Capital Funds   | -                         | -              | -                          | -              |
| D   | FII's   |                           |                |                            |                |
| E   | Foreign Venture Capital Investors   | 2800                      | 0.01%          | 2,800                      | 0.00%          |
| 4   | Non-Institutions  |                           |                |                            |                |
| (i)   | Individuals Holding upto 2.00 lakhs nominal value                                 | 60,15,988                 | 11.81%         | 61,19,133                  | 6.44%          |
| (ii)  | Individuals Holding above 2.00 lakhs nominal value                                | 1,79,92,140               | 35.31%         | 2,43,72,421                | 25.67%         |
| (iii)   | Clearing Members  | -                         | -              | -                          | -              |
| (iv)  | Others including companies  | 6,76,370                  | 1.33%          | 6,76,370                   | 0.00%          |
|   | Sub-Total (B)   | 2,46,93,798               | 48.46%         | 3,11,77,224                | 32.83%         |
| C   | Any Others:<br>Shares held by Custodians against Depository Receipts, FCCBs etc., | -                         | 0.00%          | -                          | -              |
|   | Sub-Total (c)   | -                         | 0.00%          | -                          | 0.00%          |
|   | <b>Grand Total (A+B)</b>  | <b>5,09,55,198</b>        | <b>100.00%</b> | <b>9,49,55,198</b>         | <b>100.00%</b> |

**i. The change in control, if any, in the company that would occur consequent to the preferential offer;**

There shall be no change in the board of directors and control of the company pursuant to the preferential issue. However, there will be a corresponding change in the shareholding pattern as well as voting rights consequent to this preferential allotment.

**j. The Proposed time within which the allotment shall be completed:**

As required under the SEBI (ICDR) Regulations, 2018 the Company shall complete the allotment of the Allotment Shares on or before the expiry of 15 (fifteen) days from the date of passing of Special Resolution by the Members granting consent for issue and allotment of the Allotment Shares, and in the event the allotment of the Allotment Shares requires any approval(s) from any regulatory authority including Competition Commission of India or the Central Government, within 15 (fifteen) days from the date of such approval(s) or permission or within such further period as may be prescribed or allowed by the SEBI, Stock Exchanges or other concerned authorities, as the case may be.

**k. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/ or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:**

| Proposed allottee               | Ultimate beneficial owner | Category       | % of pre issue capital held | % of post issue capital held | Change in %   |
|---------------------------------|---------------------------|----------------|-----------------------------|------------------------------|---------------|
| Ramarao Atchuta Mullapudi       | Self                      | Promoter       | 50.044                      | 62.760                       | 12.716        |
| Harika Vardhani Mullapudi       | Self                      | Promoter group | 0                           | 3.080                        | 3.080         |
| Vuppuluri Sri Rama Rudra Prasad | Self                      | Promoter group | 0                           | 0.236                        | 0.236         |
| Vuppuluri Subbarao              | Self                      | Promoter group | 0                           | 0.144                        | 0.144         |
| Vuppuluri Jayalakshmi           | Self                      | Promoter group | 0                           | 0.144                        | 0.144         |
| Batlanki Lakshmi Narasimham     | Self                      | Public         | 0                           | 3.380                        | 3.380         |
| Sharyala Gangadhar              | Self                      | Public         | 0                           | 2.761                        | 2.761         |
| Gasparro Diane                  | Self                      | Public         | 0                           | 0.354                        | 0.354         |
| Dunna Venkata Ravindra          | Self                      | Public         | 0.059                       | 0.257                        | 0.257         |
| Vasanth Velupandian             | Self                      | Public         | 0.079                       | 0.083                        | 0.004         |
| Venkata Vijayram Dunna          | Self                      | Public         | 0.039                       | 0.059                        | 0.020         |
| Raja Sekhar Kunkuma             | Self                      | Public         | 0.039                       | 0.051                        | 0.012         |
| <b>Total</b>                    |                           |                | <b>50.260</b>               | <b>73.309</b>                | <b>23.049</b> |

**l. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price**

In the financial year 2018-19 the company has not made any allotment on preferential basis.

**m. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the Exchange method:**

The Company is issuing the Equity shares to the investors on a preferential basis for consideration other than cash, and in accordance with the ICDR Regulations, 2018, Your company has taken the valuation of the shares i.e in consideration for which the equity shares are issued based upon the valuation report dated 9th August 2019 given by Mr. A Someswara Rao, Registered Valuer, Considering the Valuation report, your company's Board of Directors has approved and passed the resolution for issue of 4,40,00,000 Equity shares for the Purchase Consideration of Rs. 15,40,00,000 (Fifteen Crore Forty Lakhs Only) which shall be discharged by issuing the Equity Shares to the shareholders of Xenosoft Technologies (India) Private Limited for the purchase of around 33.94% stake in the Business Undertaking.

**n. Undertaking:**

The company undertakes to re-compute the price of the Equity share in terms of the provisions of SEBI (ICDR) Regulations, 2018 where it is required to do so.

**o. Undertaking:**

The company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

**p. Disclosure as specified under Regulation 163(1)(i) of SEBI(ICDR) Regulations, 2018**

Disclosure is not applicable in the present case as neither the company nor its promoters / directors are wilful defaulters.

**q. Pricing:**

As the shares of the company are not frequently traded, the price of Rs. 3.50 per equity share was determined by the company taking into account the valuation parameters prescribed under Regulation 165 of SEBI (ICDR) Regulations, 2018.

**r. Auditors' Certificate:**

The Certificate being issued by M/s. Niranjana & Narayan, Chartered Accountants, Statutory Auditors of the Company certifying that the Preferential Issue is being made in accordance with the requirements of the chapter V of SEBI of (ICDR) Regulations 2018, will be placed before the Members at the AGM and will be kept open for inspection at the Registered

Office of the Company between 10:00 AM and 1:00 PM on all working days between Monday to Friday of every week, up to the date of this AGM.

**s. Terms of Issue of the Equity Shares, if any:**

The Equity Shares allotted in terms of this resolution shall rank pari-passu with the existing equity shares of the Company in all respects.

**t. Relevant date:**

The relevant date in terms of Regulation 161(a) of SEBI (ICDR) Regulations, 2018 for determining the price of Equity share with reference to the proposed allotment is not applicable for the preferential allotment as the shares of the company are not frequently traded.

**u. Lock-in period and restrictions on transferability**

The Equity shares of the company allotted to promoters / promoter group to the extent of Twenty percent shall be locked-in for three years from the date of trading approval granted by Stock exchange. Equity shares allotted in excess of the Twenty percent shall be locked-in for one year from the date of trading approval.

The Equity shares allotted on a preferential basis to persons other than the promoters and promoter group and the equity shares allotted issued on preferential basis to such persons shall be locked-in for a period of one year from the date of trading approval.

The entire pre-preferential allotment shareholding of the allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of trading approval.

**ITEM No. 10**

The Board of Directors of the Company in its meeting held on 28<sup>th</sup> August, 2019 decided to change the name of the Company from "Frontier Informatics Limited" to "XTGlobal Infotech Limited" because the management of the Company has changed and they are in the view to frame and give new dimensions to the Company for branding and expansion of the Company, Board has decided to change its name as XTGlobal Infotech Limited and the Board considered the same as an appropriate name for the company.

The Directors believe that the change in the name of the Company which is being undertaken as part of corporate rebranding and re-structuring would make the name of the Company simple, sharp and focused.

The name "XTGlobal Infotech Limited" has been duly approved and made available for changing the name by the Central Registration Center, Minister of Corporate affairs vide its name approval letter dated 30<sup>th</sup> August, 2019.

The proposed change of name will not affect any of the rights

of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes.

**ITEM No. 11**

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) any person appointed as an Additional Director of the Company can hold office only upto the date of ensuing 32<sup>nd</sup> Annual General Meeting. Since Mr. China S N Murthy Anupindi (DIN:05149921), was appointed as an Additional Director of the Company w.e.f. 05<sup>th</sup> September, 2019, his term of office would expire at ensuing 32<sup>nd</sup> Annual General Meeting and eligible for the re-appointment as an Independent Director.

The Company has received declaration from Mr. China S N Murthy Anupindi, that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. The Company has also received a Notice from Mr. China S N Murthy Anupindi in writing as prescribed under Section 160 of the Act, proposing his candidature for the office of Independent Director, not liable to retire by rotation, under Section 149 of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions for appointment as Independent Director, as specified in the Companies Act, 2013. A copy of the draft letter of appointment setting out the terms and conditions of appointment of Independent Director is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days upto the date of the AGM.

Further brief profile of Mr. China S N Murthy Anupindi is enclosed as annexure to this notice.

The Board recommends the resolution for approval of Equity Shareholders of the Company at Item No. 11 as an Ordinary Resolution.

none of the Directors or Key Managerial Personnel of the Company or their respective relative(s) is / are in any way concerned or interested, in passing of the resolution set out at Item No. 11 of the Notice.

**ITEM No. 12**

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) any person appointed as an Additional Director of the Company can hold office only upto the date of ensuing 32<sup>nd</sup> Annual General Meeting. Since Mr. Sreenivasa Rao Potti (DIN:05119348), was appointed as an Additional Director of the Company w.e.f. 05<sup>th</sup> September, 2019, his term of office would expire at ensuing 32<sup>nd</sup> Annual General Meeting and eligible for the appointment as an Independent Director.

The Company has received declaration from Mr. Sreenivasa Rao Potti, that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. The

Company has also received a Notice from Mr. Sreenivasa Rao Potti in writing as prescribed under Section 160 of the Act, proposing his candidature for the office of Independent Director, not liable to retire by rotation, under Section 149 of the Companies Act, 2013. In the opinion of the Board, he fulfills the conditions for appointment as Independent Director, as specified in the Companies Act, 2013. A copy of the draft letter of appointment setting out the terms and conditions of appointment of Independent Director is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days upto the date of the AGM.

Further brief profile of Mr. Sreenivasa Rao Potti is enclosed as annexure to this notice.

The Board recommends the resolution for approval of Equity Shareholders of the Company at Item No. 12 as an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their respective relative(s) is / are in any way concerned or interested, in passing of the resolution set out at Item No. 12 of the Notice.

### **Brief Profile of Directors seeking Appointment /Reappointment at the 31<sup>st</sup> Annual General Meeting:**

{Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 (SS-2)}

| <b>Name of Director</b>  | <b>Mr. Ramarao Atchuta Mullapudi</b>   | <b>Ms. Kolla Sudha</b>                            | <b>Mr. China S N Murthy Anupindi</b>             | <b>Mr. Sreenivasa Rao Potti</b>                  |
|--|--|---|--|--|
| DIN  | 02302179   | 06603646  | 05149921   | 05119348   |
| Date of birth  | 23-08-1964   | 07-09-1969  | 07-05-1964                                       | 14-08-1966                                       |
| Qualification  | Post-Graduate in Computer Applications and Graduate of Harvard Business School | Graduate in Commerce                              | Post-Graduate in Computer Applications           | Post Graduate in Computer Applications           |
| Date of Appointment  | 13-04-2018   | 19-07-2018  | 05-09-2019                                       | 05-09-2019                                       |
| Expertise  | Information technology   | Business administration                           | Information technology                           | Information technology                           |
| Directorships as on 31 <sup>st</sup> March, 2019 in Other Listed Companies | Nil  | Nil   | Nil  | Nil  |
| Chairmanship/Membership of the Committees of other Companies               | Nil  | Nil   | Nil  | Nil  |
| Shareholding in the Company  | 50.04%   | Nil   | Nil  | Nil  |
| Disclosure of relationships between directors inter-se:                    | He is not related to any Director of the Company                               | She is not related to any Director of the Company | He is not related to any Director of the Company | He is not related to any Director of the Company |

# BOARD'S REPORT

Dear Members,

Your Directors hereby present the Thirty First Annual Report on the business and operations of the Company along with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March 2019.

## FINANCIAL RESULTS

The discussion on the financial condition and results of operations of your company should be read in conjunction with it' s audited financial statements and notes thereto for the year ended 31<sup>st</sup> March 2019 which are summarized below:

| PARTICULARS  | (Rs. In Lakhs)           |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Revenue from Operations  | 41.77                    | 3.05                     |
| Other Income   | 0.00                     | 1.67                     |
| Earnings Before Interest, Tax, Depreciation and<br>Amortization (EBITDA) | 8.37                     | (26.30)                  |
| Finance Cost   | 4.50                     | 4.50                     |
| Depreciation   | 0.16                     | 0.83                     |
| Profit/(Loss) Before Tax (PBT)   | 3.29                     | (31.63)                  |
| Provision for: -   |                          |                          |
| Income Tax/Adjusted for earlier years (Net)                              | 0.00                     | 0.00                     |
| Deferred Tax (Assets)/Liabilities  | 0.42                     | 0.00                     |
| Profit / (Loss) After Tax (PAT)  | 2.87                     | (31.63)                  |

## DIVIDEND

In view of accumulated losses, the Board has decided not to recommend any dividend on Equity Shares for the year under review.

## TRANSFER TO RESERVES

During the year, the Company has not transferred any amount to its General Reserves. As no transfer is proposed, the entire balance available in the Profit and Loss account is retained in it.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review Mr. Ramarao Atchuta Mullapudi was appointed on 13<sup>th</sup> April 2018 as a director, Ms. Vuppuluri Sreedevi was appointed on 18<sup>th</sup> April 2018 as a Whole-time Director and Ms. Kolla Sudha was appointed on 19<sup>th</sup> July 2018 as an Independent Non-executive Director of the Company.

Further, Mr. Varun Yadav Potail, Mr. Turlapati Raj Kumar and Mr. V. Poorna Chandar Rao, Directors of the Company, have resigned w.e.f. close of working hours on 13<sup>th</sup> April 2018, 18<sup>th</sup> April 2018 and 19<sup>th</sup> July 2018 respectively, citing personal reasons. The Board has extended its gratitude to Mr. Varun Yadav Potail, Mr. Turlapati Raj Kumar and Mr. V. Poorna Chandar Rao for their association, dedication and commitment towards Company as Directors.

Further, Ms. Aditi Jha was appointed as Company Secretary and compliance officer of the Company w.e.f 10<sup>th</sup> December 2018. The Committees of the Board have been reconstituted and also renamed in line with the requirements, the details of which are provided elsewhere in this report.

## DIRECTORS LIABLE FOR RETIRE BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ramarao Atchuta Mullapudi, Executive Chairman of the Company is liable to retires by rotation and being eligible, offers him self for reappointment. The Board recommends for his reappointment.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis, forming part of this report as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred as SEBI (LODR) Regulations, 2015}, is attached separately to this Report.

## BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, its Committees and the Directors. The manner in which the evaluation has been carried out, explained in the Corporate Governance Report.

## AUDIT COMMITTEE

The Audit Committee comprises of below mentioned directors :

| Name                     | Category             |
|--------------------------|----------------------|
| Mr. Rajan Babu Mothe     | Independent Director |
| Ms. Kolla Sudha*         | Independent Director |
| Ms. Vuppuluri Sreedevi** | Executive Director   |

\* Ms. Kolla Sudha, Independent Director, appointed as member of Audit Committee w.e.f. 19<sup>th</sup> July, 2018

\*\* Ms Vuppuluri Sreedevi, Whole time Director was appointed as member of Audit Committee w.e.f 18<sup>th</sup> April, 2018.

There are no recommendations of the audit committee which have not been accepted by the board during the year under review.

Details of terms of reference of Audit Committee and meetings of Audit Committee held during the year under review have been given in Corporate Governance Report.

## NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Director(s), Senior Management Personnel and their remuneration.

The composition of the Nomination & Remuneration Committee was in compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and of Regulation 19 of the SEBI (LODR) Regulations, 2015 except as mentioned in corporate governance report of the Company.

The Nomination & Remuneration Committee comprises of below mentioned directors:

| Name                 | Category             |
|----------------------|----------------------|
| Mr. Rajan Babu Mothe | Independent Director |
| Ms. Kolla Sudha*     | Independent Director |
| Ms. Archana Singh    | Independent Director |

\*Ms. Kolla Sudha, Independent Director, was appointed as member of the Committee w.e.f. 19<sup>th</sup> July, 2018.

## BOARD MEETINGS

During the year under review 12 (Twelve) Board Meetings were held on 13<sup>th</sup> April, 2018, 18<sup>th</sup> April, 2018, 30<sup>th</sup> May, 2018, 19<sup>th</sup> July, 2018, 14<sup>th</sup> August, 2018, 25<sup>th</sup> August, 2018, 05<sup>th</sup> September, 2018, 29<sup>th</sup> September, 2018, 10<sup>th</sup> November, 2018, 10<sup>th</sup> December, 2018, 08<sup>th</sup> February, 2019 and 08<sup>th</sup> March, 2019. The details of the Board Meetings are given in the Corporate Governance Report. The gap between two meetings did not exceed one hundred and twenty days as provided under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, your Directors confirm that:

- In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- The accounting policies had been selected and applied 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 financial year ended 31<sup>st</sup> March, 2019 and of the loss of the Company for that period;



- c. Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts had been prepared on a going concern basis;
- e. Internal financial controls, to be followed by the Company, had been laid down and these controls are adequate and were operating effectively; and
- f. Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### RELATED PARTY TRANSACTIONS

No transactions were entered with related parties during the year under review in the ordinary course of business.

The policy on Related Party Transactions as approved by the Board, is available at the Company's website.

Details of Related Party Transactions are given in "Annexure-A."

### RISK MANAGEMENT

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

### CORPORATE SOCIAL RESPONSIBILITY

As per the Provisions of Companies Act Corporate Social Responsibility is not applicable on the Company as it is not crossing the threshold limits as prescribed under the Act.

### AUDITORS

#### a. Statutory Auditors :

The Equity Shareholders of the Company in their Thirtieth Annual General Meeting held on 29<sup>th</sup> September, 2018 had accorded their approval pursuant to the provisions of Sections 139 and other applicable provisions of Companies Act, 2013 and Rules made there under to appoint M/s. Niranjana & Narayan, Chartered Accountants, as the Statutory Auditor of the Company for the period of one year commencing from the conclusion of Thirtieth Annual General Meeting until the conclusion of Thirty First Annual General Meeting. There is no qualification, reservation or adverse remark or disclaimer in the Auditors' Report notes to the accounts are self-explanatory, needs no further clarification or explanation.

#### b. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Person-

nel) Rules, 2014, the Company had appointed M/s. VCSR & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure-B". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### (a) Conservation of Energy, Technology Absorption

The details as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

#### (b) Foreign Exchange earnings and Outgo

**Earning : Rs. 29,52,176.00**

**Outgo : Rs. 00.00**

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed as "Annexure-C". The annual return referred under section 92(3) of the Act is available at [www.fitindia.com](http://www.fitindia.com).

### INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company does not have any loans, guarantees and investments covered under Section 186 of the Companies Act, 2013.

### PARTICULARS OF JOINT VENTURE, SUBSIDIARY & ASSOCIATE COMPANY

The Company does not have any joint venture, subsidiary or associate company during the year.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of financial disclosures.

The Company has an internal Control System commensurate with the size, scale and complexity of its operations.

These are routinely tested and certified by Statutory as well

as Internal Auditor. Significant audit observations and corrective action are reported to the Audit Committee. The concerned executives monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

## PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules are given below.

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Particulars              | Ratio to median remuneration |
|--------------------------|------------------------------|
| Non-Executive directors* | 0.37                         |
| Executive directors      | -                            |

\* No remuneration other than sitting fee is paid to Non-executive Independent Director of the company.

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

|  |   |
|--|---|
| Director, Chief Executive Officer, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year  |
| Directors  | No remuneration other than sitting fee is paid to Non-executive Independent Director of the company         |
| Chief Executive Officer  | The company has not appointed Chief Executive Officer during the financial year                             |
| Chief Financial Officer  | The company has not appointed Chief Financial Officer during the financial year                             |
| Company Secretary  | % increase could not be presented as the company has not appointed any company secretary in the past years. |

- c. The percentage increase in the median remuneration of employees in the financial year: 34.64%
- d. The number of permanent employees on the rolls of Company : 20 (As on 31st March, 2019)
- e. Average percentage increase 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 point out if there are any exceptional circumstances for increase in the managerial remuneration: The average annual increase was around 15 % for personnel other than managerial personnel. There was no increase in the managerial remuneration for the year.
- f. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company. There are no employees drawing remuneration in excess of the limits set out in the Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated a mechanism called "Vigil Mechanism/ Whistle Blower Policy" for directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and provided a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

The policy permits all the directors and employees to report their concerns to the Competent Authority, Executive Chairman / Managing Director of the Company and if the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee.

The policy with the designation and address of the Competent Authority, Executive Chairman/Managing Director of the Com-

pany and Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company.

#### **DEPOSITS**

Your Company did not accept any deposit from the Public during the year under review.

#### **INSURANCE**

Your Company's Fixed Assets have been adequately insured.

#### **CORPORATE GOVERNANCE**

Your Company has been particular in implementing and complying with the norms of Corporate Governance and complying all the mandatory requirements as specified in Regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015. A detailed report on Corporate Governance along with Certificate from Practicing Company Secretary thereon is attached separately to this Report.

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Directors state that during the year under review, there was no complaint filed/pending pursuant to the provisions of "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

The Company has complied with the Constitution of Internal Compliant Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received during the period under review.

#### **MATERIAL CHANGES AND COMMITMENTS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status from April, 2018 to March, 2019.

#### **ACKNOWLEDGMENT**

The Board of Directors takes this opportunity to express their gratitude to the Central Government, State Government and Local Authorities, Financial institutions, Banks, Customers, Dealers, Vendors and all the stakeholders for their continued cooperation and support to your Company.

The Board of Directors wishes to express its appreciation to all the employees of the Company for their contribution to the operations of the Company.

"The Board specially thank to the shareholders for their continued confidence and faith in the Company."

For and on behalf of the Board of Directors

SD/-

**Vuppuluri Sreedevi**  
Whole-time Director

Place : Hyderabad

Date : 05<sup>th</sup> September, 2019

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## A. Industry Structure and Development

IT Business of most Indian Software Development companies can be classified into Onsite Consulting Services, Offshore Software Services, Product Sales and IT Enabled Services. While Onsite Consulting Services has witnessed a steady growth, Offshore Software business has experienced a significant change either through Dedicated Development Centers for over-seas partners or Joint Ventures. The product sales of Indian companies in the international markets has been miniscule, while IT enabled services business has seen a strident growth during the last 5 to 6 years. The future direction clearly favors Offshore Software Services and IT enabled Services.

## B. Opportunities

- \* Offshore Software Maintenance and Enhancements
- \* IT Enabled Services/BPO Operations.
- \* Increased IT spending within India.

## C. Threats, Risks and Concerns

- \* Competition from countries like China and European Countries in the medium to long term.
- \* Large international companies establishing their own subsidiaries instead of depending on Indian Companies.
- \* Countries like USA bringing in legislation regarding VISA and work permits discourage hiring of resources from other countries.

In spite of certain negative factors in the international markets, company believes that there are enough global opportunities to be tapped. Countries like China will take a few more years before they can provide wide ranging Software Services of high quality. Company intends to concentrate on Offshore opportunities in Software Maintenance and IT enabled services space as well as computer education and training in the coming few years.

## D. Outlook

The management is planning to make reasonable business in the areas of Offshore IT consulting put more marketing efforts to secure Business. The company is looking for strategic business acquisitions to enhance business opportunities and to gain operational synergy. The company is making end eavours to improve the financial strength of the company by raising funds through issue of Equity shares on preferential basis. The company is also striving hard to secure business opportunities in domestic market, USA and Middle East. To achieve this objective, the company hired marketing experts. The company was not able to raise finances due to the losses incurred by the company over the past few years, which have reduced the company to negative net worth. Your directors are contemplating various measures for improving the strength of the balance sheet and to enable the company to raise investment and other form of funding.

## E. Risk and Concerns

The changing situation in USA and Europe may lead to more restrictions on off-shore projects and stringent norms for Onsite Consulting services.

## F. Opportunities

The Company has established adequate internal control systems and procedures both in financial and operational areas that are commensurate with the size and nature of the business of the Company. The constitution of Audit Committee with independent non-executive Directors is instrumental in ensuring mainly the following:

- \* Oversight of Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- \* Reviewing with management the annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies, compliances with accounting standards etc.
- \* Discussion with the senior management to ensure adherence to the internal Control systems and processes.
- \* To ensure that appropriate controls are established and are effective throughout every software development project and conforming to Software Engineering Practices.

## G. Discussion on financial performance with respect to operational performance

Financial statements are prepared under the Historical Cost Convention in accordance with the Indian Generally Accepted Accounting Principles and the provisions of the Companies Act, 2013.

The current scenario in the company is one wherein dynamic changes are the name of the game. There is a constant moni-

toring and improvement of systems and operations in the company. Appropriate actions both internally and externally are initiated to improve the future prospects. Turnaround Management is initiated to revive the company's fortune by pulling together all the available resources for materializing all the available opportunities.

As indicated in the below table, Frontier has made an impressive turnaround in the year ended March, 2019, making a profit of 2.87 lakhs. This indicates a new beginning that involved a planned strategy of taking in more resources and working on financially viable projects during the year as well as strategizing on opportunities and investments with a focus on revenues.

**The financial performance of the company over the years are as under:**

| S. No. | Year                   | Profit/(loss)<br>(Rs. In Lacs) |
|--------|------------------------|--------------------------------|
| 1      | Year ending March 2012 | (166.88)                       |
| 2      | Year ending March 2013 | (7.15)                         |
| 3      | Year ending March 2014 | (25.16)                        |
| 4      | Year ending March 2015 | (25.82)                        |
| 5      | Year ending March 2016 | (48.23)                        |
| 6      | Year ending March 2017 | (20.13)                        |
| 7      | Year ending March 2018 | (31.63)                        |
| 8      | Year ending March 2019 | 2.87                           |

**Material development in human resources/Industrial relations front, including number of people employed**

Human Resource Development is a key area for growth and smooth functioning of any organization. The management recognized two major areas, which will lead to achieve this goal, namely, creating good.

working environment and imparting continuous training in latest technologies. Continuous up gradation of skills plays a key role in employee's retention and job satisfaction and company has taken adequate measures in this regard.

The company has cordial relations with its employees and staff. Efforts of the company are well recognized in India as well as abroad.

**Cautionary Statement**

Statements in this management discussion and analysis describing the company's objectives, projections, estimates, expectations might be considered forward looking statements and actual results could differ materially from those expressed or implied. Factors which could make a significant difference to the Company's operations include demand supply conditions, market prices, input component costs and availability, changes in Government regulations and tax laws besides other factors such as litigations, over which the Company may not have any control.

## FORM AOC-2

[Pursuant to clause (h) of sub – section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub – section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso.**

**1. Details of contracts or arrangements or transactions not at arm's length basis: -**

There were no contracts / arrangements / transactions entered into during the Financial year ended 31<sup>st</sup> March 2019, which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis:-**

| Name of Related Party                           | Nature of Relationship                          | Nature of Contract        | Duration of Contract | Salient Terms      | Value of Transactions (Amount in ) | Date(s) of approval by the Board, if any | Amount paid as advances, |
|---|---|---------------------------|----------------------|--------------------|------------------------------------|--|--------------------------|
| Mr. Ramarao Atchuta Mullapudi                   | Promoter  | Borrowings by the company | On-going             | Interest Free Loan | 33,00,000/-                        | N.A.                                     | N.A.                     |
| Logicplanet IT Services (India) Private Limited | Private Company in which Director is a Director | Borrowings by the company | On-going             | Interest Free Loan | 25,00,000/-                        | N.A.                                     | N.A.                     |
| V K Premchand                                   | Promoter  | Borrowings by the company | On-going             | Interest Free Loan | 10,00,000/-                        | N.A.                                     | N.A.                     |

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 05<sup>th</sup> September, 2019

SD/-  
**Vuppuluri Sreedevi**  
Whole-time Director

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

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

**To,**  
**The Members,**  
**FRONTIER INFORMATION LIMITED,**  
**Hyderabad**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Frontier Informatics Limited (hereinafter 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 M/s. Frontier Informatics Limited 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 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the rules made there-under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made 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, 2015, in so far as they are made applicable from time to time;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company During the audit period);
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009 (Not applicable to the Company during the audit period);

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India related to board and general meetings and applicable clauses of the Listing Agreements entered into by the Company with The Stock Exchange Limited (BSE), Mumbai;

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

*There was a delay in Compliance with Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 with respect to delay in filing of statement of Investor Complaint for the quarters ended 30<sup>th</sup> September, 2018 and 31<sup>st</sup> March, 2019. The Company paid the fine as levied by the BSE with respect to delay in filing of statement of Investor Complaint for the quarter ended 30<sup>th</sup> September, 2018.*

We further report that

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For VCSR & Associates  
Company secretaries

SD/-  
(S. Upender Reddy)  
Partner  
C P No: 6877

Place: Hyderabad  
Date: 05<sup>th</sup> September, 2019

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



**'ANNEXURE'**

To  
The Members,  
**FRONTIER INFORMATICS LIMITED**  
Hyderabad.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of 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 VCSR & Associates  
Company secretaries

SD/-  
(S. Upender Reddy)  
Partner  
C P No: 6877

Place: Hyderabad  
Date: 05<sup>th</sup> September, 2019

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members  
Frontier Informatics Limited  
Hyderabad.

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Frontier Informatics Limited** having (CIN: L72200TG1986PLC006644) and having registered office at Plot No. 31P & 32, 3rd Floor, Tower A, Ramky Selenium, Nanakramguda, Hyderabad, TG 500032 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name of the Director        | DIN      | Designation         |
|--------|-----------------------------|----------|---------------------|
| 1.     | Vuppuluri Sreedevi          | 02448540 | Whole time Director |
| 2.     | Vivekananda Sree Pakalapati | 01727971 | Director            |
| 3.     | Mullapudi Atchuta Rama Rao  | 02302179 | Director            |
| 4.     | Kolla Sudha                 | 06603646 | Director            |
| 5.     | Archana Singh               | 07328641 | Director            |
| 6.     | Rajan Babu Mothe            | 07740978 | Director            |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VCSR & Associates  
Company Secretaries

Place: Hyderabad  
Date: 05<sup>th</sup> September, 2019

S. Upender Reddy  
Partner  
CP NO. 6877

**EXTRACT OF ANNUAL RETURN****As on financial year ended 31<sup>st</sup> March, 2019**

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

**FORM NO. MGT- 9****I. REGISTRATION AND OTHER DETAILS**

|    |  |   |
|----|--|---|
| 1. | CIN  | L72200TG1986PLC006644   |
| 2. | Registration Date  | 29/07/1986  |
| 3. | Name of the Company  | FRONTIER INFORMATICS LIMITED  |
| 4. | Category/Sub-category of the Company                                       | Company Limited by Shares   |
| 5. | Address of the Registered office & contact details                         | Plot No. 31 P & 32, 3rd Floor, Tower A, Ramky Selenium, Financial District, Nanakramguda, Hyderabad-500032, Telangana, India  |
| 6. | Whether listed company   | Yes   |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Karvy Fintech Private Limited<br>Karvy Selenium Tower – B, Plot Nos 31–32, Gachi Bowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel : 040-67162222,e-mail: einward.ris@karvy.com, Toll Free No: 1800-3454-001, Website: karvyfintech.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

| S. No. | Name and Description of main products/services           | NIC Code of the Product/ service | % To total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Computer Programming, Consultancy and related activities | 620                              | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Not applicable

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)\*

| Category of Shareholders                   | No. Of Shares held at the beginning of the year [As on 31st March 2018] |              |                |                   | No. Of Shares held at the end of the year [As on 31st March 2019] |             |                |                   | % Change during the year |
|--|---|--------------|----------------|-------------------|---|-------------|----------------|-------------------|--------------------------|
|  | Demat   | Physical     | Total          | % Of Total Shares | Demat   | Physical    | Total          | % Of Total Shares |                          |
| <b>A. Promoters</b>                        |   |              |                |                   |   |             |                |                   |                          |
| <b>(1) Indian</b>                          |   |              |                |                   |   |             |                |                   |                          |
| a) Individual/ HUF                         | 159325  | 12899        | 172224         | 1.36              | 160725  | 550         | 161275         | 1.27              | (0.09)                   |
| b) Central Govt                            | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| c) State Govt(s)                           | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| d) Bodies Corp.                            | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| e) Banks / FI                              | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| f) Any other --Foreign Residents           | 6113695   | 25601        | 6139296        | 48.51             | 6000125   | 0           | 6000125        | 47.41             | (1.1)                    |
| <b>Total share-holding of Promoter (A)</b> | <b>6273020</b>  | <b>38500</b> | <b>6311520</b> | <b>49.87</b>      | <b>6160850</b>  | <b>550</b>  | <b>6161400</b> | <b>48.69</b>      | <b>(1.18)</b>            |
| <b>B. Public Shareholding</b>              |   |              |                |                   |   |             |                |                   |                          |
| <b>1. Institutions</b>                     |   |              |                |                   |   |             |                |                   |                          |
| a) Mutual Funds                            | --  | 5900         | 5900           | 0.09              | --  | 5900        | 5900           | 0.05              | (0.05)                   |
| b) Banks / FI                              | --  | 600          | 600            | 0.01              | --  | 600         | 600            | 0.00              | (0.00)                   |
| c) Central Govt                            | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| d) State Govt(s)                           | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| e) Venture Capital Funds                   | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| f) Insurance Companies                     | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| g) FIs                                     | --  | 2800         | 2800           | 0.04              | --  | 2800        | 2800           | 0.02              | (0.02)                   |
| h) Foreign Venture Capital Funds           | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| i) Others (specify)                        | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| <b>Sub-total (B) (1):-</b>                 | <b>--</b>   | <b>9300</b>  | <b>9300</b>    | <b>0.14</b>       | <b>--</b>   | <b>9300</b> | <b>9300</b>    | <b>0.07</b>       | <b>(0.07)</b>            |
| <b>2. Non-Institutions</b>                 |   |              |                |                   |   |             |                |                   |                          |
| a) Bodies Corp.                            |   |              |                |                   |   |             |                |                   |                          |
| i) Indian                                  | 342819  | 26144        | 368963         | 2.92              | 343917  | 42550       | 386467         | 3.05              | 0.13                     |
| ii) Overseas                               | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| b) Individuals                             | 0   | 0            | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |

| Category of Shareholders   | No. Of Shares held at the beginning of the year [As on 31st March 2018] |          |          |                   | No. Of Shares held at the end of the year [As on 31st March 2019] |          |         |                   | % Change during the year |
|--|---|----------|----------|-------------------|---|----------|---------|-------------------|--------------------------|
|  | Demat   | Physical | Total    | % Of Total Shares | Demat   | Physical | Total   | % Of Total Shares |                          |
| i) Individual shareholders holding nominal share capital up to Rs. 2 lakh        | 4735766   | 515989   | 5251755  | 41.50             | 4866184   | 488905   | 5355089 | 42.32             | 0.82                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 452141  | 0        | 452141   | 3.57              | 452141  | 0        | 452141  | 3.57              | -                        |
| c) Others HUFs(specify)  |   |          |          |                   |   |          |         |                   |                          |
| Non Resident Indians   | 42680   | 98900    | 141580   | 2.13              | 43820   | 99492    | 143312  | 1.13              | (0.99)                   |
| Overseas Corporate Bodies  | 0   | 0        | 0        | 0                 | 0   | 0        | 0       | 0                 | 0                        |
| Foreign Nationals  |   |          |          |                   | 27326   | 0        | 27326   | 0.22              |                          |
| Clearing Members   |   |          |          |                   | 1600  | 295      | 1895    | 0.01              |                          |
| Trusts   |   |          |          |                   |   |          |         |                   |                          |
| Foreign Bodies – D R   |   |          |          |                   |   |          |         |                   |                          |
| <b>Sub-total (B) (2):-</b>   | 5692755   | 641625   | 5692755  | 50.05             | 5831300   | 653200   | 6484500 | 51.24             |                          |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | 5692755   | 650925   | 6343680  | 50.05             | 5831300   | 662500   | 6493800 | 51.31             |                          |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           |   |          |          |                   |   |          |         |                   |                          |
| <b>Grand Total (A+B+C)</b>   | 11965775  | 689425   | 12655200 | 100               |   |          |         | 100               | ---                      |

**B. Shareholding of Promoter:**

| S. No. | Shareholder's Name        | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |   | % Change in Shareholding During the Year |
|--------|---------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|---|--|
|        |                           | No. Of Shares                             | % Of Total Shares of the Company | %Of Shares Pledged/ Encumbered to Total Shares | No. Of Shares                       | % Of Total Shares of the Company | % Of Shares Pledged/ Encumbered to Total Shares |  |
| 1      | V K Premchand             | 160725                                    | 1.27                             | --   | 160725                              | 1.27                             | --  | --                                       |
| 2      | V. Radha Bai              | 550                                       | 0.00                             | --   | 550                                 | 0.00                             | --  | --                                       |
| 3      | Ramarao Atchuta Mullapudi | 6000125                                   | 47.41                            | --   | 6000125                             | 47.41                            | --  | --                                       |
|        |                           |   |                                  |  |                                     |                                  |   |  |
|        | <b>TOTAL</b>              | <b>6161400</b>                            | <b>48.68</b>                     | <b>--</b>                                      | <b>6161400</b>                      | <b>48.68</b>                     | <b>--</b>                                       | <b>--</b>                                |

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

| S.No. | Shareholder's Name   | Shareholding at the Beginning of the Year |                                  | Cumulative Shareholding During the Year |                                  |
|-------|--|---|----------------------------------|---|----------------------------------|
|       |  | No. of Shares                             | % of Total Shares of the Company | No. of Shares                           | % of Total Shares of the Company |
| 1.    | V K Premchand  |   |                                  |   |                                  |
|       | Opening Balance  | 160725                                    | 0.23                             | 160725                                  | 0.23                             |
|       | Date wise Increase / Decrease in Promoter's Shareholding during the year | -   | -                                | -                                       | -                                |
|       | Closing Balance  | 160725                                    | 0.23                             | 160725                                  | 0.23                             |
| 2.    | V. Radha Bai   |   |                                  |   |                                  |
|       | Opening Balance  | 550                                       | 0.00                             | 550                                     | 0.00                             |
|       | Date wise Increase / Decrease in Promoter's Shareholding during the year | -   | -                                | -                                       | -                                |
|       | Closing Balance  | 550                                       | 0.00                             | 550                                     | 0.00                             |
| 3.    | Ramarao Atchuta Mullapudi  |   |                                  |   |                                  |
|       | Opening Balance  | 6000125                                   | 47.41                            | 6000125                                 | 47.41                            |
|       | Date wise Increase / Decrease in Promoter's Shareholding during the year | -   | -                                | -                                       | -                                |
|       | Closing Balance  | 6000125                                   | 47.41                            | 6000125                                 | 47.41                            |

**D. Shareholding Pattern of Top Ten Shareholders:**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | Shareholder's Name          | Shareholding at the Beginning of the Year |                                  | Shareholding at the End of the Year |                                  |
|--------|-----------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
|        |                             | No. Of Shares                             | % Of Total Shares of the Company | No. Of Shares                       | % Of Total Shares of the Company |
| 1      | VEERA VARA PRASAD VASIREDDY | 249641                                    | 1.97%                            | 249641                              | 1.97%                            |
| 2      | SRIRAMA KRISHNA LAKAMSANI   | 202500                                    | 1.60%                            | 202500                              | 1.60%                            |
| 3      | IVY SECURITIES PVT LIMITED  | 119175                                    | 0.94%                            | 119175                              | 0.94%                            |
| 4      | RAJAN MUNJAL                | 87370                                     | 0.69%                            | 87370                               | 0.69%                            |
| 5      | JATIN ANANDJI SHAH          | 81190                                     | 0.64%                            | 81190                               | 0.64%                            |
| 6      | ROHIT BAJAJ                 | 73527                                     | 0.58%                            | 73527                               | 0.58%                            |
| 7      | G SIVARAMA RAJU             | 71749                                     | 0.57%                            | 71749                               | 0.57%                            |
| 8      | P INDIRA ANANYA             | 64085                                     | 0.51%                            | 64085                               | 0.51%                            |
| 9      | KALPESH KANAIYALAL PAREKH   | 55600                                     | 0.44%                            | 55600                               | 0.44%                            |
| 10     | BOSCO ARMANDO MENEZES       | 54476                                     | 0.43%                            | 54476                               | 0.43%                            |

**E. Shareholding of Directors and Key Managerial Personnel:**

| S. No. | Shareholder's Name                   | Shareholding at the Beginning of the Year |                                  | Cumulative Shareholding During the Year |                                  |
|--------|--------------------------------------|---|----------------------------------|---|----------------------------------|
|        |                                      | No. Of Shares                             | % Of Total Shares of the Company | No. Of Shares                           | % Of Total Shares of the Company |
| 1.     | Ramarao Atchuta Mullapudi            |   |                                  |   |                                  |
|        | Opening Balance                      | 6000125                                   | 47.41                            | 6000125                                 | 47.41                            |
|        | Acquisition/Disposal during the year | -   | -                                | -                                       | -                                |
|        | Closing Balance                      | 6000125                                   | 47.41                            | 6000125                                 | 47.41                            |
| 2.     | Vuppuluri Sreedevi                   |   |                                  |   |                                  |
|        | Opening Balance                      | 0   | 0                                | 0                                       | 0                                |
|        | Acquisition/Disposal during the year | -   | -                                | -                                       | -                                |
|        | Closing Balance                      | 0   | 0                                | 0                                       | 0                                |
| 3.     | Vivekananda Sree Pakalapati          |   |                                  |   |                                  |
|        | Opening Balance                      | 0   | 0                                | 0                                       | 0                                |
|        | Acquisition/Disposal during the year | -   | -                                | -                                       | -                                |
|        | Closing Balance                      | 0   | 0                                | 0                                       | 0                                |
| 4.     | Kolla Sudha                          |   |                                  |   |                                  |
|        | Opening Balance                      | 0   | 0                                | 0                                       | 0                                |
|        | Acquisition/Disposal during the year | -   | -                                | -                                       | -                                |
|        | Closing Balance                      | 0   | 0                                | 0                                       | 0                                |
| 5.     | Archana Singh                        |   |                                  |   |                                  |
|        | Opening Balance                      | 0   | 0                                | 0                                       | 0                                |
|        | Acquisition/Disposal during the year | -   | -                                | -                                       | -                                |
|        | Closing Balance                      | 0   | 0                                | 0                                       | 0                                |
| 6.     | Rajan Babu Mothe                     |   |                                  |   |                                  |
|        | Opening Balance                      | 0   | 0                                | 0                                       | 0                                |
|        | Acquisition/Disposal during the year | -   | -                                | -                                       | -                                |
|        | Closing Balance                      | 0   | 0                                | 0                                       | 0                                |



**V. INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakhs)

|  | Secured Loans<br>Excluding Deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount  | --                                  | 260.04             | --       | 260.04                |
| ii) Interest due but not paid                              | --                                  | 4.05               | --       | 4.05                  |
| iii) Interest accrued but not due                          | --                                  | --                 | --       | --                    |
| <b>Total (i+ii+iii)</b>                                    | --                                  | 264.09             | --       | 264.09                |
| Change in Indebtedness during the financial year           |                                     |                    |          |                       |
| * Addition   | --                                  | 37.05              | --       | 37.05                 |
| * Reduction  | --                                  | 49.72              | --       | 49.72                 |
| Net Change   | --                                  | (12.67)            | --       | (12.67)               |
| <b>Indebtedness at the end of the financial year</b>       | --                                  |                    | --       |                       |
| i) Principal Amount  | --                                  | 243.32             | --       | 243.32                |
| ii) Interest due but not paid                              | --                                  | 8.10               | --       | 8.10                  |
| iii) Interest accrued but not due                          | --                                  | --                 | --       | --                    |
| <b>Total (i+ii+iii)</b>                                    | --                                  | 251.42             | --       | 251.42                |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

| S. No. | Particulars of Remuneration   | Whole-time Director |           |
|--------|---|---------------------|-----------|
|        |   | Vuppuluri Sreedevi  | Total     |
| 1.     | Gross salary  |                     |           |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                   | -         |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                   | -         |
|        | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                   | -         |
| 2.     | Stock Option  | -                   | -         |
| 3.     | Sweat Equity  | -                   | -         |
| 4.     | Commission  |                     |           |
|        | - as % of profit  | -                   | -         |
|        | - others, specify   |                     |           |
| 5.     | Others, please specify  | -                   | -         |
|        | Total (A)   | -                   | -         |
|        | Ceiling as per the Act  | 30,00,000           | 30,00,000 |

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

| S. No. | Particulars of Remuneration                    | Name of Directors    |                   |                 | Total Amount |
|--------|--|----------------------|-------------------|-----------------|--------------|
|        |  | Mr. Rajan Babu Mothe | Ms. Archana Singh | Ms. Kolla Sudha |              |
| 1.     | Independent Directors                          |                      |                   |                 |              |
|        | sitting Fee for attending board board meetings | 30,000               | -                 | -               | -            |
|        | Commission                                     | -                    | -                 | -               | -            |
|        | Others, please specify                         | -                    | -                 | -               | -            |
|        | Total (1)                                      | 30,000               | -                 | -               | -            |
| 2.     | Other Non-Executive Directors                  |                      |                   |                 |              |
|        | Fee for attending board committee meetings     | -                    | -                 | -               | -            |
|        | Commission                                     | -                    | -                 | -               | -            |
|        | Others, please specify                         | -                    | -                 | -               | -            |
|        | Total (2)                                      | -                    | -                 | -               | -            |
|        | Total (B)=(1+2)                                | 30,000               | -                 | -               | -            |
|        | Total Managerial Remuneration                  | 30,000               | -                 | -               | -            |
|        | Overall Ceiling as per the Act                 |                      |                   |                 |              |

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD :**

| S. No. | Particulars of Remuneration   | Key Managerial Personnel |        |       |
|--------|---|--------------------------|--------|-------|
|        |   | CFO                      | CS*    | Total |
| 1.     | Gross salary  |                          |        |       |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | 88,804 | -     |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -      | -     |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -      | -     |
| 2.     | Stock Option  | -                        | -      | -     |
| 3.     | Sweat Equity  | -                        | -      | -     |
| 4.     | Commission<br>- as % of profit<br>- others, specify                                 | -                        | -      | -     |
| 5.     | Others, please specify  | -                        | -      | -     |
|        | Total (A)   | -                        | 88,804 | -     |
|        | Ceiling as per the Act  | -                        | -      | -     |

\* Ms. Aditi Jha was appointed as Company Secretary of the company w.e.f 10<sup>th</sup> December, 2018.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding Fees Imposed | Authority [RD / NCLT/ COURT] | Appeal Made, If Any (Give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             |                              | <b>NA</b>         |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |

## REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred as SEBI (LODR) Regulations, 2015}.

### 1. Company's Philosophy on Corporate Governance

Corporate Governance is the mechanism by which the values, principles, policies and procedures of Companies are manifested. Effective Corporate Governance is indispensable to resilient and vibrant capital markets and investor protection rests on this foundation. The core value of Corporate Governance lies in the principles of integrity, fairness, quality, transparency and accountability.

The Company is committed to good Corporate Governance in order to enhance value of its all stakeholders. To achieve the objectives of good Corporate Governance, the Company follows the principles of transparency, disclosures, fairness, independent supervision, healthy competition, production of quality products and services, compliance with all relevant laws, rules and regulations and meeting social responsibility. It is believed that good Corporate Governance by the Company would protect and enhance the trust of shareholders, customers, suppliers, financiers, employees, government agencies and the society in the Company.

### 2. Board of Directors

The Board of Directors of the Company has combination of Executive and Non-Executive Directors. The Company has an Chairman. As on 31<sup>st</sup> March, 2019, the board consists of 6 (Six) Directors, out of which 3 (Three) are Executive Directors and 3 (Three) are Independent Directors. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, as specified in Regulation 26 of SEBI (LODR) Regulations, 2015, across all the Public Companies in which he/she is a Director.

Composition and Category of Directors along with changes during the year:

| S. No. | Category                        | Name of Director  | Changes During Financial   | Reasons of                               |
|--------|---------------------------------|---|--|--|
| 1      | Promoter and Executive Director | Mr. Ramarao Atchuta Mullapudi, Director   | Appointed on 13.04.2018  | -  |
| 2      | Executive Director              | Ms. Vuppuluri Sreedevi, WTD<br>Mr. Varun Yadav Potail<br>Mr. Turlapati Raj Kumar<br>Mr. Vivekananda Sree Pakalapati | Appointed on 18.04.2018<br>Resigned on 13.04.2018<br>Resigned on 18.04.2018<br>- | Resignation Due to some Personal Reasons |
| 3.     | Independent Directors           | Mr. Rajan Babu Mothe<br>Ms. Archana Singh<br>Ms. Kolla Sudha<br>Mr. V. Poornachandar Rao                            | -<br>-<br>Appointed on 19.07.2018<br>Resigned on 19.07.2018                      |  |

The Board of Directors met 12 (Twelve) times during the Financial Year 2018-19 on 13<sup>th</sup> April, 2018, 18<sup>th</sup> April, 2018, 30<sup>th</sup> May, 2018, 19<sup>th</sup> July, 2018, 14<sup>th</sup> August, 2018, 25<sup>th</sup> August, 2018, 05<sup>th</sup> September, 2018, 29<sup>th</sup> September, 2018, 10<sup>th</sup> November, 2018, 10<sup>th</sup> December, 2018, 08<sup>th</sup> February, 2019 and 08<sup>th</sup> March, 2019.

The gap between two meetings did not exceed one hundred and twenty days. The Company placed before the Board most of the information specified in Part A of Schedule II to the SEBI (LODR) Regulations, 2015 from time to time. The Board periodically reviews compliance reports of all laws applicable to the Company. The Company takes effective steps to rectify instances of non-compliance, if any.

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2018-19 and the last Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2018, as also the number of Directorships and Committee positions held by them in other public limited companies as on 31<sup>st</sup> March, 2019 are given below:

Directorship/ committee Membership as on 31<sup>st</sup> March, 2019:

| Name and Category of Director              | No. Of Board Meetings Attended During 2018-19 | Whether Attended Last AGM | No. Of Directorships in other Public Companies | No. of Committee Positions Held in Other Public Companies# |           | List of Directorship Held in Other Listed Company and Category of Directorship |
|--|---|---------------------------|--|--|-----------|--|
|  |   |                           |  | As Chairman  | As Member |  |
| Mr. Ramarao Atchuta Mulpudi, Director      | 2   | No                        | -  | -  | -         | -  |
| Ms. Vuppuluri Sreedevi, WTD                | 10  | Yes                       | -  | -  | -         | -  |
| Mr. Vivekananda Sree Pakalapati, Director  | 4   | No                        | -  | -  | -         | -  |
| Mrs. Kolla Sudha, Independent Director     | 8   | No                        | -  | -  | -         | -  |
| Mrs. Archana Singh, Independent Director   | 12  | No                        | -  | -  | -         | -  |
| Mr. Rajan Babu Mothe, Independent Director | 12  | Yes                       | -  | -  | -         | -  |

# Represents Chairmanships/Memberships of Audit Committee, NRC Committee and Stakeholders Relationship Committee.

### CODE OF CONDUCT

The Code of Conduct as adopted by the Board of Directors, is applicable to the Directors, both Executive and Non-Executive and Senior Management Team comprising of members of Management one level below the Executive Directors, including all the functional heads.

A declaration by the Managing Director affirming the compliance of the Code of Conduct for Board Members and senior management executives is also annexed separately at the end of this report.

### 3. Audit Committee

Your Company's Audit Committee has been constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. During the year under review, the Audit Committee met 4 (four) times on 30<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 14<sup>th</sup> November, 2018 and 08<sup>th</sup> February, 2019, the gap between two meetings did not exceed one hundred and twenty days.

| Name               | Category             | No. Of Committee Meetings Held | No. Of Committee Meetings Attended |
|--------------------|----------------------|--------------------------------|------------------------------------|
| Rajan Babu Mothe   | Independent Director | 4                              | 4                                  |
| Kolla Sudha        | Independent Director | 3                              | 3                                  |
| Vuppuluri Sreedevi | Executive Director   | 4                              | 4                                  |

The role of the audit committee in brief is to review financial statements, internal controls, accounting policies and internal audit. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendations, before taking the same to the Board. The internal audit plans are drawn in consultation with the Managing Director, Chief Financial Officer, Heads of Departments and the Audit Committee. The committee reviews the internal auditors report periodically. The committee also tracks the implementation of its guidelines/suggestions through review of action taken reports. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the committee apart from details of material individual transactions with the related parties. The Representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings.

### 1. Nomination and Remuneration Committee

Your Company's Nomination and Remuneration Committee has been constituted in accordance with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an independent director. The Committee met 3 (Three) times during the year under review on 18<sup>th</sup> April, 2018, 19<sup>th</sup> July, 2018 and 10<sup>th</sup> December, 2018. The attendance record of the members at the meeting is as below:

| Name             | Category             | No. Of Committee Meetings Held | No. Of Committee Meetings Held |
|------------------|----------------------|--------------------------------|--------------------------------|
| Rajan Babu Mothe | Independent Director | 3                              | 3                              |
| Kolla Sudha      | Independent Director | 1                              | 1                              |
| Archana Singh    | Independent Director | 3                              | 3                              |

#### BRIEF DESCRIPTION OF TERMS OF REFERENCE:

1. To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
3. To carry out evaluation of every Director's performance.

#### Performance Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the Annual Performance Evaluation of its own performance, its Committees, the Chairman of the Company and the Directors on the basis of the feedback received from all the Directors of the Company. Structured performance evaluation questionnaire were circulated to the Directors for:

- \* Directors' – Self & Peer Level Evaluation
- \* Board's Evaluation;
- \* Board Committees' Evaluation; and
- \* Chairman's Evaluation.

The summary of rating given by all the directors on the structured performance evaluation was placed before the Board of Directors.

4. To formulate 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.
5. To formulate the criteria for evaluation of Independent Directors and the Board.
6. To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

**Remuneration policy:** The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the company and talents of the appointee.

#### REMUNERATION OF DIRECTORS

The non-executive directors do not receive any remuneration from the Company and are paid Sitting Fee for attending the meetings of the Board and Committee Meetings. There is no pecuniary relationship or transactions between independent non-executive Directors and the Company.

Since the company is suffering losses Managing Director and Executive Director consented not to draw any salary for the year ended 31<sup>st</sup> March, 2018, hence the aggregate value of salary, perquisites to Managing/Executive Director are NIL.

Notice period, severance fee and stock options to the above personnel – Nil

Details of Shares of the Company held by the Directors as on 31<sup>st</sup> March, 2019 are as below:

| Name                      | Designation | No. Of Shares |
|---------------------------|-------------|---------------|
| Ramarao Atchuta Mullapudi | Director    | 60,00,125     |

## 5. Stakeholders Relationship Committee

Your Company's Stakeholders Relationship Committee has been constituted in accordance with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 and Section 178 of Companies Act, 2013. The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an Independent Director.

The meetings of the Committee are held at frequent intervals to approve transfers, transmissions, issue of duplicate shares and resolving investors' grievances, etc. The company has replied through the Depository Participant agent in respect of complaints received in the earlier year. The minutes of the Committee meetings are placed before the Board for its noting on a regular basis.

### DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2018-19:

| Particulars                                 | Year ended 31.03.2019 |
|---|-----------------------|
| Pending at the beginning of the year        | 0                     |
| Received during the year                    | 0                     |
| Disposed of during the year                 | 0                     |
| Remaining unresolved at the end of the year | 0                     |

## 6. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 29<sup>th</sup> March, 2019, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

## 7. GENERAL BODY MEETINGS

The details of last three Annual General Meetings (AGM) are given below:

| Year | Date of AGM                      | Time     | Held at                                  | No. Of Special Resolutions Passed in AGM |
|------|----------------------------------|----------|--|--|
| 2018 | 29 <sup>th</sup> September, 2018 | 09:30 AM | Lions Bhavan Trust,<br>behind HDFC Bank, | Yes -1-                                  |
| 2017 | 29 <sup>th</sup> December, 2017  | 09:30 AM | Near<br>Paradise circle                  | Yes -3-                                  |
| 2016 | 30 <sup>th</sup> December, 2016  | 09:30 AM | SD Road,<br>Secunderabad                 | Yes -4-                                  |

There were no resolutions in the last year that were put through postal ballot. Similarly no special resolutions are proposed to be passed through postal ballot in the ensuing Annual General Meeting.

## 8. RISK ASSESSMENT AND MINIMIZATION PROCEDURE

In order to ensure that Management controls risk through means of a properly defined framework, a report on Risk Assessment and Minimization Procedure as prepared by functional heads of the Company is being reviewed periodically by the Board of Directors. The Board of Directors of the Company is continuously briefed, by the Managing Director, with the developments and performance of the Company so as to enable them to monitor the same at regular intervals. Reports on risk assessment and minimization process and new initiatives proposed by the Company are also presented to them for suggestions and upgradation.

## H. DISCLOSURES

### A. Related Party Transactions

Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

No transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business.

### B. Compliances Made by the Company

The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties, strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities related to the above.

### C. Communication to Shareholders

The quarterly and Annual Results are being published in the Business Standard and Nava Telangana. Quarterly and Annual Financial Results of the Company are furnished to the Stock Exchange as per the requirements of the Listing Agreement.

### D. Whistle Blower Policy

The Company promotes a favorable environment for employees to have an open access to the Audit Committee, respective Functional Heads, Head- HRD, Managing Directors so as to ensure ethical and fair conduct of the business of the Company and that no personnel has been denied access to the Audit Committee.

### E. Remuneration to Statutory Auditors

Details relating to fees paid to the Statutory Auditors are given in Note 16 to the Financial Statements.

### F. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on 31<sup>st</sup> March, 2019 is given in the Directors' report.

### G. Regulations for Prevention of Insider Trading:

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insider for its Directors, Officers and Specified Employees. Ms. Aditi Jha, Company Secretary is the Compliance Officer under the said Code.

### H. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015:

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 except as mentioned in the director report.

### I. Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary carries out Share Capital Audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and listed equity share capital. The audit confirms that the total Issued / Paid-up Capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### J. Means of Communication

#### i.) Quarterly Results

The Company's Quarterly Results are submitted to the Stock Exchanges, published in newspapers and also displayed on the Company's website.

#### ii.) Newspaper wherein Results normally published in Business Standard and Nava Telangana

#### iii.) Any website, where displayed

<http://www.fitindia.com>

#### vi.) Whether it also displays official news release

Yes



#### V.) The presentations made to institutional investors or to the analysts

No such occasion arose during the year under review.

#### 10. General Shareholders Information

The following information would be useful to Shareholders:

The Financial Year of the Company was from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

- a. The 31<sup>st</sup> Annual General Meeting of the Company will be held at 10.30 AM on Monday, the 30<sup>th</sup> day of September, 2019 at at Hotel Minerva Grand, Hall summit, first floor, Beside 'Google' office, Kondapur, Hyderabad Telangana
- b. The Financial Year of the Company was from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.
- c. Date of Book Closure: from Tuesday the 24<sup>th</sup> Day of September, 2019 to Saturday the 28<sup>th</sup> day of September, 2019 (inclusive of both days).
- d. The Shares of the Company are listed on the Stock Exchange, Mumbai (BSE).
- e. The Stock Code is 531225.
- f. The CIN number of the Company is: L72200TG1986PLC006644.
- g. The Share and Depository Transfer Agent: M/s. Karvy Fintech Pvt Ltd, Karvy Selenium Tower – B, Plot No 31–32, Gachibowli, Financial District, Nanakramguda, Hyderabad.
- h. Dematerialization of Shares: The Company's shares are traded compulsorily in dematerialized form. In this connection, the Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's ID is INE547B01028. The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form. As on 31<sup>st</sup> March 2019. 1,19,92,150 shares are under dematerialization, representing 94.76% of the paidup capital.
- i. Distribution of shareholding as on 31<sup>st</sup> March, 2019:

| Holding of Number of Shares or Debentures | Share/Debenture (Holders) |               | Shares/Debentures (Amount) |               |
|---|---------------------------|---------------|----------------------------|---------------|
|   | Number                    | %             | Rs.                        | %             |
| 1 – 5000                                  | 10,969                    | 98.63         | 36,94,182                  | 29.2          |
| 5001 – 10000                              | 76                        | 0.68          | 5,32,152                   | 4.21          |
| 10001 – 20000                             | 41                        | 0.37          | 5,83,709                   | 4.61          |
| 20001 – 30000                             | 17                        | 0.15          | 4,35,700                   | 3.44          |
| 30001 – 40000                             | 1                         | 0.01          | 34,676                     | 0.27          |
| 40001 – 50000                             | 2                         | 0.02          | 96,500                     | 0.76          |
| 50001 – 100000                            | 10                        | 0.09          | 6,21,248                   | 4.91          |
| 100001 – Above                            | 5                         | 0.05          | 66,57,033                  | 52.60         |
| <b>Total</b>                              | <b>11,121</b>             | <b>100.00</b> | <b>1,26,55,200</b>         | <b>100.00</b> |

a. **Market Price Movement:** The details of monthly high and low market price of equity shares at the stock exchange, Mumbai are as given below:

| Month           | Highest (Rs.) | Lowest (Rs.) | Month          | Highest (Rs.) | Lowest (Rs.) |
|-----------------|---------------|--------------|----------------|---------------|--------------|
| April, 2018     | 2.45          | 2.45         | October, 2018  | 3.15          | 3.00         |
| May, 2018       | 2.82          | 2.45         | November, 2018 | 3.36          | 3.15         |
| June, 2018      | 2.96          | 2.82         | December, 2018 | 3.36          | 3.36         |
| July, 2018      | 3.00          | 2.96         | January, 2019  | 3.47          | 3.36         |
| August, 2018    | 3.00          | 3.00         | February, 2019 | 3.47          | 3.47         |
| September, 2018 | 3.00          | 3.00         | March, 2019    | 3.47          | 3.47         |

b. **Shareholding Pattern as on 31<sup>st</sup> March 2019**

| S. No. | Category   | No. Of Shares      | % Of Shareholding |
|--------|--|--------------------|-------------------|
| 1      | Promoters  | 61,61,400          | 48.69             |
| 2      | Mutual Funds and UTI                                     | 5,900              | 0.05              |
| 3      | Banks, Financial Institution, Insurance companies, FII's | 3,400              | 0.03              |
| 4      | Private Corporate Bodies                                 | 3,86,467           | 3.05              |
| 5      | Indian Public  | 58,07,230          | 45.89             |
| 6      | NRIs/ Foreign Nationals/OCBs                             | 2,88,908           | 2.28              |
| 7      | Trust  | 1,895              | 0.01              |
| 8      | Clearing Members   | -                  | -                 |
|        | <b>Total</b>   | <b>1,26,55,200</b> | <b>100.00</b>     |

c. Outstanding ADRs/GDRs/Equity shares or any convertible instruments, conversion date and likely impact on equity: Not Applicable

d. Our address for Correspondence: Plot No. 31 P & 32, 3rd Floor, Tower A, Ramky Selenium, Financial District, Nanakramguda, Hyderabad-500032, Telangana, India and email to: frontier@fitlindia.com by quoting their DP Id or Folio Number.

e. **Share Transfer System:**

To expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to M/s Karvy Fintech Pvt. Ltd., Registrar and Share Transfer Agent of the Company. The delegated authority attends to share transfer formalities fortnightly. Shares lodged in physical form with the Company/its Registrars & Share Transfer Agent are processed and generally returned within fifteen days from the date of receipt so long as the documents have been clear in all respects. Shares under objection are returned within fifteen days from receipt of the documents.

f. **Nomination facility for shareholding**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

g. **Permanent Account Number (PAN)**

As per the provisions of the Companies Act, 2013, facility for making Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

## CERTIFICATION BY WHOLETIME DIRECTOR

I, Vuppuluri Sreedevi, Wholetime Director of Frontier Informatics Limited, certify that:

1. I have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements present a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations. They are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.
3. I accept overall responsibility for establishing and monitoring the company's internal control system for financial reporting and evaluating its effectiveness. Internal audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors and report significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of significant deficiencies and material weaknesses in the internal control system and any corrective action taken or proposed to rectify these deficiencies.
4. I indicate to the auditors and to the audit committee:
  - a. Significant changes in internal control over financial reporting during the year;
  - b. Significant changes in accounting policies during the year;c) Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting. However, there was no such instance.

Sd/-  
Vuppuluri Sreedevi  
**Whole-time Director**  
DIN : 02448540

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**Frontier Informatics Limited**

### Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Frontier Informatics Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

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 ("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 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 31<sup>st</sup> March, 2019, the profit and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of financial statements in accordance with the Standards on Auditing (SAs) 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 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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on this matter.

| Key Audit Matters   | Auditor's Response/Procedures   |
|---|---|
| <p><b>Adoption of Ind AS 115 Revenue from Contracts with Customers</b></p> <p>The application of the new revenue accounting standard involves certain key Judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> | <p>The company is engaged in business of software development and consultancy services in &amp; outside India. We have assessed the process employed by the company to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>» Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>» Selected a sample of continuing and other contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>» Selected a sample of continuing and other contracts and performed the following procedures:</li> <li>» We have verified the Statement of work, master service agreements entered by the company with its clients and approval by its clients for work performed by the company.</li> <li>» We also verified transaction price charged by the company based on the terms of the contracts.</li> <li>» We also verified recognition of revenue on timely basis and historic trend of collections from the customers</li> </ul> |

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report and Management Discussion and Analysis but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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. We have nothing to report in this regard.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the companies (Indian Accounting standards) Rules, 2015 (as amended) 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibilities for the Audit of the 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 Auditors' 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 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 Auditors' Report to the related disclosures in the 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 Auditors' 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.

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 Auditors' 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, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", 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, 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), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Ind AS financial state-

ments comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- g. With respect to the other matters to be included in the Auditor's Report in accordance With Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 34 to the financial statements.
  - ii. There is no requirement for any provision as required by any act or Indian Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by Section 197 of the Act, we report that the remuneration paid by the Company to its Directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For Niranjana & Narayan  
Chartered Accountants  
Firm Registration Number: 0058995

SD/-  
M. Niranjana  
Partner - Membership No: 029552

Place: Hyderabad  
Date: 27<sup>th</sup> May , 2019

## ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Frontier Informatics Limited on the Ind AS Financial Statements as of and per the year ended 31<sup>st</sup> March, 2019.

1. In Respect of Fixed Assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets have been physically verified by the Management at reasonable intervals, and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. The Company is rendering software development and consultancy services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Thus paragraphs 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, during the year, the Company has not given any loans, made investments, given guarantees or provided security to parties covered under the provisions of section 185 and 186 of the Companies Act, 2013. Thus paragraph 3 (iv) of the Order is not applicable to the company.
5. During the year the company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Thus provisions of 3(v) of the Order is not applicable to the company.
6. In our opinion and according to the explanation given to us the maintenance of Cost records under section 148 (1) of the Companies Act, 2013, as prescribed by the Central Government are not applicable to the Company. Thus paragraph 3(vi) of the Order is not applicable to the company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, Goods and Services tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, Goods and Services tax, cess and any other statutory dues were in arrears as at 31<sup>st</sup> March, 2019, for a period of more than six months from the date they became payable.
 

(b) According to the information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax as at 31<sup>st</sup> March, 2019:

| Nature of Statute    | Nature of dues        | Period to which the amount relates (Financial Year) | Amount (Rs. In Lakhs) | Forum Where dispute is Pending |
|----------------------|-----------------------|---|-----------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax            | 2000-2001   | 12.74                 | DCIT 1(2)                      |
| Income Tax Act, 1961 | Income Tax            | 2001--2002  | 19.42                 | DCIT 1(2)                      |
| Income Tax Act, 1961 | Interest Dividend Tax | 1999-2000   | 10.91                 | DCIT 1(2)                      |

8. According to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution, banks, government or debenture holders. The Company has not obtained any loan from financial institutions banks, government and debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the company.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year under review. Thus, paragraph 3(xi) of

the Order is not applicable to the company.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the company.
15. According to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. In our opinion, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934. Thus, paragraph 3(xv) of the Order is not applicable to the company.

Place: Hyderabad  
Date: 27<sup>th</sup> May, 2019

For Niranjan & Narayan  
Chartered Accountants  
Firm Registration Number: 005899S

SD/-  
M. Niranjan  
Partner - Membership No: 029552



## ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) of the Independent Auditor's Report of even date to the members of Frontier Informatics Limited on the Financial Statements for the year ended 31<sup>st</sup> March, 2019.

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

We have audited the internal financial controls over financial reporting of Frontier Informatics Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

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

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

### **Opinion**

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad  
Date: 27<sup>th</sup> May , 2019

For Niranjan & Narayan  
Chartered Accountants  
Firm Registration Number: 005899S

SD/-  
M. Niranjan  
Partner - Membership No: 029552

**FRONTIER INFORMATICS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2019**

All amounts in Rupees

| Particulars                       | Note No.  | As at March 31, 2019 | As at March 31, 2018 |
|-----------------------------------|-----------|----------------------|----------------------|
| <b>I. ASSETS</b>                  |           |                      |                      |
| 1. Non-Current assets             |           |                      |                      |
| a. Property, Plant and Equipment  | <b>3</b>  | <b>866935</b>        | <b>213668</b>        |
| b. Intangible assets              | <b>3</b>  | <b>837165</b>        | <b>837165</b>        |
| Total non-current assets          |           | <b>1704100</b>       | <b>1050833</b>       |
| 2. Current assets                 |           |                      |                      |
| a. Financial assets               |           |                      |                      |
| i. Trade receivables              | <b>4</b>  | <b>4368176</b>       | <b>0</b>             |
| ii. Cash and Cash Equivalents     | <b>5</b>  | <b>300108</b>        | <b>5443908</b>       |
| b. Other current assets           | <b>6</b>  | <b>2919538</b>       | <b>2685572</b>       |
| Total current assets              |           | <b>7587822</b>       | <b>8129480</b>       |
| Total assets                      |           | <b>9291922</b>       | <b>9180313</b>       |
| <b>II. EQUITY AND LIABILITIES</b> |           |                      |                      |
| 1. Equity                         |           |                      |                      |
| a. Equity Share Capital           | <b>7</b>  | <b>12655200</b>      | <b>12655200</b>      |
| b. Other Equity                   | <b>8</b>  | <b>(30190338)</b>    | <b>(30477439)</b>    |
| Total Equity                      |           | <b>(17535138)</b>    | <b>(17822239)</b>    |
| 2. Non-current liabilities        |           |                      |                      |
| a. Deferred tax liabilities       | <b>17</b> | <b>41790</b>         | <b>0</b>             |
| Total non-current liabilities     |           | <b>41790</b>         | <b>0</b>             |
| 3. Current liabilities            |           |                      |                      |
| a. Financial liabilities          |           |                      |                      |
| i. Borrowings                     | <b>9</b>  | <b>24332181</b>      | <b>26409181</b>      |
| ii. Trade Payables                | <b>10</b> | <b>1346945</b>       | <b>42786</b>         |
| b. Other current liabilities      | <b>11</b> | <b>1106144</b>       | <b>550585</b>        |
| Total current liabilities         |           | <b>26785270</b>      | <b>27002552</b>      |
| Total liabilities                 |           | <b>26827060</b>      | <b>27002552</b>      |
| Total Equity and Liabilities      |           | <b>9291922</b>       | <b>9180313</b>       |

**Corporate Information and significant accounting policies 1 & 2**

See accompanying notes to the financial statements

As per our report of even date

For **Niranjan & Narayan,**

Chartered Accountants (FRN:005899S)

For and on behalf of the board

SD/-

M. Niranjan ( Partner )

Membership No: 029552

Place: Hyderabad

Date: 27<sup>th</sup> May , 2019

SD/-

V Sreedevi

Whole-time director

DIN: 02448540

SD/-

Rajan Babu Mothe

Director

DIN: 07740978

**FRONTIER INFORMATICS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

All amounts in Rupees

| Particulars   | Note No.  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|-----------|--------------------------------------|--------------------------------------|
| <b>I. Revenue from operations</b>   | <b>12</b> | <b>4176676</b>                       | <b>305170</b>                        |
| <b>II. Other Income</b>   | <b>13</b> | <b>0</b>                             | <b>167264</b>                        |
| <b>III. Total Income</b>  |           | <b>4176676</b>                       | <b>472434</b>                        |
| <b>IV. Expenses</b>   |           |                                      |                                      |
| <b>a. Employee benefits expenses</b>  | <b>14</b> | <b>1630394</b>                       | <b>640600</b>                        |
| <b>b. Finance costs</b>   | <b>15</b> | <b>450000</b>                        | <b>450000</b>                        |
| <b>c. Depreciation and amortization expense</b>   | <b>3</b>  | <b>15819</b>                         | <b>83479</b>                         |
| <b>d. Other expenses</b>  | <b>16</b> | <b>1751572</b>                       | <b>2461260</b>                       |
| <b>Total expenses</b>   |           | <b>3847785</b>                       | <b>3635339</b>                       |
| <b>Profit/(loss) before exceptional items and tax</b>   |           | <b>328891</b>                        | <b>(3162905)</b>                     |
| <b>Exceptional items</b>  |           | <b>0</b>                             | <b>0</b>                             |
| <b>Profit/(loss) before tax</b>   |           | <b>328891</b>                        | <b>(3162905)</b>                     |
| <b>Tax expense</b>  |           |                                      |                                      |
| <b>Current tax</b>  | <b>17</b> | <b>0</b>                             | <b>0</b>                             |
| <b>Deferred tax</b>   |           | <b>41790</b>                         | <b>0</b>                             |
| <b>Profit/(loss) for the period from continuing operations</b>  |           | <b>287101</b>                        | <b>(3162905)</b>                     |
| <b>Profit/(loss) for the period from discontinuing operations</b>   |           | <b>0</b>                             | <b>0</b>                             |
| <b>Profit/(loss) for the period</b>   |           | <b>287101</b>                        | <b>(3162905)</b>                     |
| <b>Other comprehensive income</b>   |           | <b>0</b>                             | <b>0</b>                             |
| <b>Total comprehensive income for the period (comprising profit (loss) and comprehensive income for the period)</b> |           | <b>287101</b>                        | <b>(3162905)</b>                     |
| <b>Earnings per Equity Share of Rs. 1 each</b>  |           |                                      |                                      |
| <b>Basic (in Rs.)</b>   |           | <b>0.02</b>                          | <b>(0.25)</b>                        |
| <b>Diluted (in Rs.)</b>   |           | <b>0.02</b>                          | <b>(0.25)</b>                        |

**Corporate Information and significant accounting policies 1&2**

See accompanying notes to the financial statements

As per our report of even date

For **Niranjan & Narayan,**

Chartered Accountants (FRN:005899S)

For and on behalf of the Board

SD/-

M. Niranjan ( Partner )

Membership No: 029552

SD/-

V Sreedevi

Whole-time director

DIN: 02448540

SD/-

Rajan Babu Mothe

Director

DIN: 07740978

Place: Hyderabad

Date: 27<sup>th</sup> May , 2019

**FRONTIER INFORMATICS LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019**

All amounts in Rupees

| Particulars                                      | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|---------------------------|---------------------------|
| <b>Cash flow from operating activities</b>       |                           |                           |
| Profit/(loss) before tax                         | 328891                    | (3162905)                 |
| Adjustments                                      |                           |                           |
| Depreciation                                     | 15819                     | 83479                     |
| Operating profit before working capital changes  | 344710                    | (3079426)                 |
| Changes in working capital                       |                           |                           |
| Decrease/(increase) in operating assets          |                           |                           |
| Trade receivables                                | (4368176)                 | 0                         |
| Other current assets                             | (233966)                  | (402975)                  |
|  | (4602142)                 | (402975)                  |
| Increase/ (decrease) in operating liabilities    |                           |                           |
| Short term borrowings                            | (2077000)                 | 2636500                   |
| Trade payables                                   | 1304159                   | 42786                     |
| Other current liabilities                        | 555559                    | (602112)                  |
|  | (217282)                  | 2077174                   |
| Cash generated from operating activities         | (4474714)                 | (599277)                  |
| <b>Cash flow from investing activities</b>       |                           |                           |
| Purchase of fixed assets                         | (882754)                  | 0                         |
| Disposal of fixed assets                         | 213668                    | 0                         |
| Cash generated from investing activities         | (669086)                  | 0                         |
| <b>Cash flow from financing activities</b>       |                           |                           |
| Issue of Equity share capital                    | 0                         | 6000000                   |
| Cash generated from financing activities         | 0                         | 6000000                   |
| <b>Net increase in cash and cash equivalents</b> | <b>(5143800)</b>          | <b>5400723</b>            |
| <b>Opening balance</b>                           | <b>5443908</b>            | <b>43185</b>              |
| <b>Closing balance</b>                           | <b>300108</b>             | <b>5443908</b>            |

As per our report of even date  
For **Niranjan & Narayan**,  
Chartered Accountants (FRN:005899S)

For and on behalf of the Board

SD/-  
M. Niranjan ( Partner )  
Membership No: 029552

SD/-  
V Sreedevi  
Whole-time director  
DIN: 02448540

SD/-  
Rajan Babu Mothe  
Director  
DIN: 07740978

Place: Hyderabad  
Date: 27<sup>th</sup> May , 2019

**FRONTIER INFORMATICS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

**A. EQUITY SHARE CAPITAL**

| Particulars   | Amount in Rs. |
|---|---------------|
| Balance as at April 01, 2017  | 6655200       |
| Changes in Equity Share Capital during the year<br>Add: Issue of 6000000 Lakhs Equity shares @ Rs. 1 each | 6000000       |
| Balance as at March 31, 2018  | 12655200      |
| Changes in Equity Share Capital during the year   | 0             |
| Balance as at March 31, 2019  | 12655200      |

**B. OTHER EQUITY**

| Particulars                        | Reserves & Surplus |                   | Items of other comprehensive income | Total      |
|------------------------------------|--------------------|-------------------|-------------------------------------|------------|
|                                    | Capital Reserve    | Retained Earnings |                                     |            |
| Balance as at April 01, 2017       | 1000000            | (28314534)        | 0                                   | (27314534) |
| Profit/(loss) for the year 2017-18 | 0                  | (3162905)         | 0                                   | (3162905)  |
| Write-off of capital reserve       | (1000000)          | 1000000           | 0                                   | 0          |
| Balance as at March 31, 2018       | 0                  | (30477439)        | 0                                   | (30477439) |
| Profit/(loss) for the year 2018-19 | 0                  | 287101            | 0                                   | 0          |
| Balance as at March 31, 2019       | 0                  | (30190338)        | 0                                   | (30190338) |

See accompanying notes to the financial statements

As per our report of even date  
For **Niranjan & Narayan**,  
Chartered Accountants (FRN:005899S)

For and on behalf of the Board

SD/-  
M. Niranjan ( Partner )  
Membership No: 029552

SD/-  
V Sreedevi  
Whole-time director  
DIN: 02448540

SD/-  
Rajan Babu Mothe  
Director  
DIN: 07740978

Place: Hyderabad  
Date: 27<sup>th</sup> May , 2019

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2019

### 1. CORPORATE INFORMATION

FRONTIER INFORMATICS LIMITED was incorporated under the provisions of Companies Act, 1956 as a public limited company on 29<sup>th</sup> July 1986. It has been operating in the spheres of Software product development, training and software services since its inception. The Equity shares of the company are listed in Bombay Stock Exchange Limited (BSE) since 1996.

The financial statements are approved for issue by Company's Board of Directors on 27<sup>th</sup> May 2019

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('the ACT') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The company has been preparing its financial statements in accordance with Indian GAAP which includes standards notified under Section 133 of the Companies Act, 2013 and the companies (Accounting Standard) Rules, 2006 up to the year ended 31<sup>st</sup> March, 2017. On and from 01<sup>st</sup> April 2017, the company is required to prepare its financial statements as per IND AS. The company has adopted all the IND AS standards and the adoption was carried out in accordance with IND AS 101, First-Time Adoption of Indian Accounting Standards.

### USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgements and assumptions that affect the application of accounting policies and reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Actual results may vary from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments.

Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies

### REVENUE RECOGNITION

Effective 01<sup>st</sup> April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. On 28<sup>th</sup> March 2018, the MCA notified Ind AS 115, a new revenue recognition standard that replaces existing Ind AS 11 Construction contracts and Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 01<sup>st</sup> April, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of IND AS 115 in place of existing IND AS has insignificant impact on financial statements of the company.

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Further, the Company uses significant judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To recognise revenues, the

Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

### **IMPAIRMENT TESTING**

Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than its carrying value. The recoverable amount of the asset or the cash generating units is higher of value in use and fair value less cost of disposal. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

### **TAXES ON INCOME**

#### **Current taxes**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

#### **Deferred taxes**

Deferred tax charge or credit reflects the tax effects due to 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 substantially enacted as on the date of balance sheet. Deferred tax assets are recognized only to the extent there is reasonable certainty that assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, 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.

### **FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are initially recorded at the exchange rates prevailing on the transaction date. All revenues denominated in foreign currency are translated at the exchange rate prevailing on the date of inward remittance. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results of operating activities. Gains/ (losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on non-monetary financial assets measured at fair value at the reporting date are included in other comprehensive income, net of taxes.

### **FINANCIAL INSTRUMENTS**

#### **a. Non-derivative financial instruments**

Non-derivative financial instruments consist of:

- » Financial assets, which include cash and cash equivalents, trade receivables, unbilled receivables, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets; Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset.
- » Financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities.
- » Non- derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:



**A. Cash and cash equivalents**

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

**B. Other financial assets**

Other financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. These comprise trade receivables and other assets.

**C. Trade and other payables**

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

**D. Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of a transferred financial asset, the Company continues to recognise the financial asset and recognises a borrowing for the proceeds received. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**PROPERTY, PLANT AND EQUIPMENT**

**a.) Recognition and measurement** Property, plant and equipment are measured at cost net of recoverable taxes, discounts and rebates and including all directly attributable costs incurred till the asset is ready for the intended use less accumulated depreciation and impairment losses, if any. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

**b.) Depreciation** The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets. The charge in respect of period-

ic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life.

**c.) Use lives of property, plant and equipment** The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually.

**INTANGIBLE ASSETS**

Intangible assets are measured at cost net of recoverable taxes, discounts and rebates and including all directly attributable costs incurred till the asset is ready for the intended use less accumulated amortisation and impairment losses, if any. The amortization of an intangible asset with a finite useful life reflects the way the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles is reviewed and where appropriate are adjusted, annually.

**EMPLOYEE BENEFITS****Short term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognised for the amount expected to be paid under short-term plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Long term benefits**

Payments to the defined contribution retirement benefit schemes are charged as an expense as they fall due.

**Provident fund**

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan to the Regional Provident Fund Commissioner.

**PROVISIONS**

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 economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

**FINANCE COST**

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

## CASH FLOW STATEMENT

Cash flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated. The amendment to Ind AS 7, require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

## DISCONTINUED OPERATIONS

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

## EARNINGS PER SHARE

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

- » The Company has during the year sent out letters seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company, the Company believes that it does not have any outstanding dues to micro, small and medium enterprises. Further, the Company has not paid any interest to the micro, small and medium enterprises.
- » **Segmental Reporting** As the company was engaged only in software development services during the year, business segment reporting is not applicable. Geographic revenue is allocated based on the location of the customer

All amounts in Rupees

| S. No. | Geographic segments | FY 2018-19 | FY 2017-18 |
|--------|---------------------|------------|------------|
| 1      | Domestic            | 1224500    | 305170     |
| 2      | Export              | 2952176    | 0          |
|        | Total               | 4176676    | 305170     |

## » Contingent liabilities

- A. Disputed Income tax demands relating to Assessment Year 2001-02 & 2002-03 Amounting to Rs. 32.16 Lakhs. The issue is under appeal before appropriate Appellate authorities and as per the opinion of the company, the possibility of crystallization of liability is unlikely.
- B. Interest payable on Dividend Distribution Tax amounting to Rs. 10.91 Lakhs is not provided for which the company has sought waiver of interest.
- » Figures of previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation / classification.
- » Figures are rounded off to nearest rupee.

As per our report of even date  
For **Niranjan & Narayan**,  
Chartered Accountants (FRN:005899S)

For and on behalf of the board

SD/-  
M. Niranjan ( Partner )  
Membership No: 029552

SD/-  
V Sreedevi  
Whole-time director  
DIN: 02448540

SD/-  
Rajan Babu Mothe  
Director  
DIN: 07740978

Place: Hyderabad  
Date: 27<sup>th</sup> May , 2019.

### 3. PROPERTY, PLANT AND EQUIPMENT

| Particulars                            | Property, plant and equipment |                      |           | Intangible assets | Total    |
|--|-------------------------------|----------------------|-----------|-------------------|----------|
|  | Plant & Equipment             | Furniture & Fittings | Computers | Software products |          |
| <b>Gross block as on April 01 2017</b> | 260234                        | 144369               | 135966    | 6132818           | 6673387  |
| Additions                              | 0                             | 0                    | 0         | 0                 | 0        |
| Disposals                              | 0                             | 0                    | 0         | 0                 | 0        |
| Balance as on March 31 2018            | 260234                        | 144369               | 135966    | 6132818           | 6673387  |
| Additions                              | 0                             | 0                    | 882754    | 0                 | 882754   |
| Disposals                              | (260234)                      | (144369)             | (135966)  | 0                 | (540569) |
| Balance as on March 31 2019            | 0                             | 0                    | 882754    | 6132818           | 7015572  |
|  |                               |                      |           |                   |          |
| <b>Depreciation &amp; Impairment</b>   |                               |                      |           |                   |          |
| Balance as on April 01, 2017           | 94362                         | 35690                | 113369    | 5295653           | 5539075  |
| Depreciation for the year              | 52047                         | 14437                | 16996     | 0                 | 83479    |
| Disposals                              | 0                             | 0                    | 0         | 0                 | 0        |
| Balance as on March 31 2018            | 146409                        | 50127                | 130365    | 5295653           | 5622554  |
| Depreciation for the year              | 0                             | 0                    | 15819     | 0                 | 15819    |
| Disposals                              | (146409)                      | (50127)              | (130365)  | 0                 | (326901) |
| Balance as on March 31 2019            | 0                             | 0                    | 15819     | 5295653           | 5311472  |
|  |                               |                      |           |                   |          |
| <b>Net Block</b>                       |                               |                      |           |                   |          |
| As on April 01 2017                    | 165872                        | 108679               | 22597     | 837165            | 1134312  |
| As at March 31 2018                    | 113825                        | 94242                | 5601      | 837165            | 1050833  |
| As at March 31 2019                    | 0                             | 0                    | 866935    | 837165            | 1704100  |

All amounts in Rupees

| PARTICULARS                         | AS AT MARCH 31, 2019 | AS AT MARCH 31, 2018 |
|-------------------------------------|----------------------|----------------------|
| 4. TRADE RECEIVABLES                |                      |                      |
| From related parties                | 4368176              | 0                    |
| Break up of security details        |                      |                      |
| Unsecured considered good           | 4368176              | 0                    |
| Total trade receivables             | 4368176              | 0                    |
| 5. CASH AND CASH EQUIVALENTS        |                      |                      |
| Balance with banks                  |                      |                      |
| - In current accounts               | 295606               | 5443537              |
| - In EEFC accounts                  | 0                    | 0                    |
| Cash on hand                        | 4502                 | 371                  |
| Total cash and cash equivalents     | 300108               | 5443908              |
| 6. OTHER CURRENT ASSETS             |                      |                      |
| Prepayments                         | 68238                | 0                    |
| Advance to service providers        | 50000                | 0                    |
| Balance with government authorities | 2801300              | 2685572              |
| Total current assets                | 2919538              | 2685572              |

## 7. EQUITY SHARE CAPITAL

| PARTICULARS  | AS AT MARCH 31 2019  |                     | AS AT MARCH 31 2018  |                     |
|--|----------------------|---------------------|----------------------|---------------------|
|  | No. Of shares        | Amount              | No. Of shares        | Amount              |
| <b>Authorised Equity Shares of Rs. 1/- each</b>  | 180000000            | 180000000           | 180000000            | 180000000           |
| <b>Issued, subscribed and paid-up Equity shares of Rs. 1/- each with voting rights</b>   | 12655200             | 12655200            | 12655200             | 12655200            |
| <b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>  |                      |                     |                      |                     |
| <b>Opening balance</b>   | 12655200             | 12655200            | 6655200              | 6655200             |
| <b>Shares issued during the year</b>   | 0                    | 0                   | 6000000              | 6000000             |
| <b>Closing balance</b>   | 12655200             | 12655200            | 12655200             | 12655200            |
| Terms/rights attached to equity shares<br>The company has only one class of equity shares having a par value of Rs.1/- per share. Each holder of equity shares is entitled to one vote per share |                      |                     |                      |                     |
| <b>Details of shareholders holding more than 5% shares in the company</b>  |                      |                     |                      |                     |
| <b>Particulars</b>   | <b>No. Of shares</b> | <b>% Of holding</b> | <b>No. Of shares</b> | <b>% Of holding</b> |
| Ramarao Atchuta Mullapudi  | 6000125              | 47.41%              | 6000125              | 47.41%              |

| PARTICULARS                                    | AS AT MARCH 31, 2019 | AS AT MARCH 31, 2018 |
|--|----------------------|----------------------|
| <b>8. OTHER EQUITY</b>                         |                      |                      |
| Retained earnings                              |                      |                      |
| Opening balance                                | (30477439)           | (27314534)           |
| Add: Net profit/(loss) for the period          | 287101               | (3162905)            |
| Closing balance                                | (30190338)           | (30477439)           |
| <b>9. BORROWINGS</b>                           |                      |                      |
| Unsecured from                                 |                      |                      |
| - Financial institutions                       | 3000000              | 3000000              |
| - Related parties                              | 4990000              | 7040000              |
| - Others                                       | 16342181             | 16369181             |
| Total current borrowings                       | 24332181             | 26409181             |
| <b>10. TRADE PAYABLES</b>                      |                      |                      |
| Unsecured payable to                           |                      |                      |
| - Micro and small enterprises                  | 0                    | 0                    |
| - Others                                       | 1346945              | 42786                |
| Total trade payables                           | 1346945              | 42786                |
| <b>11. OTHER CURRENT LIABILITIES</b>           |                      |                      |
| Statutory payables                             | 118028               | 77981                |
| Interest payable                               | 808482               | 0                    |
| Expenses payable                               | 114979               | 407949               |
| Other liabilities                              | 64655                | 64655                |
| Total other current liabilities                | 1106144              | 550585               |
| <b>12. REVENUE FROM OPERATIONS</b>             |                      |                      |
| Revenue from contracts with customers          |                      |                      |
| Software development services                  |                      |                      |
| - Domestic                                     | 1224500              | 305170               |
| - Export                                       | 2952176              | 0                    |
| Total revenue from continuing operations       | 4176676              | 305170               |
| <b>13. OTHER INCOME</b>                        |                      |                      |
| Interest income                                | 0                    | 16540                |
| Other income (write back)                      | 0                    | 150724               |
| Total other income                             | 0                    | 167264               |
| <b>14. EMPLOYEE BENEFITS EXPENSES</b>          |                      |                      |
| Salaries, wages and bonus                      | 1527426              | 640600               |
| Contribution to Provident Fund and other funds | 102968               | 0                    |
| Total employee benefits expenses               | 1630394              | 640600               |

| PARTICULARS   | AS AT MARCH 31, 2019 | AS AT MARCH 31, 2018 |
|---|----------------------|----------------------|
| 15. FINANCE COSTS                                   |                      |                      |
| Interest  | 450000               | 450000               |
| Total Finance costs                                 | 450000               | 450000               |
| 16. OTHER EXPENSES                                  |                      |                      |
| Rent  | 0                    | 168000               |
| Travelling & Conveyance                             | 2000                 | 0                    |
| Paper publication charges                           | 116526               | 156222               |
| Printing & stationery                               | 174694               | 201080               |
| Bank charges  | 2363                 | 9998                 |
| General expenses                                    | 5640                 | 37025                |
| BSE / Demat custodial charges                       | 585359               | 793917               |
| AGM & other expenses                                | 39058                | 193195               |
| Legal and professional charges                      | 297140               | 871823               |
| Telephone and communication charges                 | 36467                | 0                    |
| Postage and courier                                 | 159426               | 0                    |
| Rates and taxes                                     | 61697                | 0                    |
| Consumables   | 32534                | 0                    |
| Loss on sale of assets                              | 198668               | 0                    |
| Payments to the auditor as                          |                      |                      |
| - Auditor   | 40000                | 30000                |
| - For taxation matters                              | 0                    | 0                    |
| Total other expenses                                | 1751572              | 2461260              |
| 17. TAX EXPENSE                                     |                      |                      |
| Current tax   |                      |                      |
| Income tax recognized in statement of profit & loss | 0                    | 0                    |
| Deferred tax  |                      |                      |
| In respect of current year                          | 41790                | 0                    |
| Total tax expense                                   | 41790                | 0                    |

## 18. RELATED PARTY DISCLOSURES

| S. No. | Nature of relationship  | Name of the party  |
|--------|---|--|
| 1.     | Key Management Personnel                                      | Ms. Vuppuluri Sreedevi, Whole-time director  |
| 2.     | Person having significant influence over the entity           | Mr. Ramarao Atchuta Mullapudi, Promoter & director   |
| 3.     | Enterprises controlled by person having significant influence | 1. Xenosoft Technologies (India) Private Limited<br>2. XTGlobal Inc.<br>3. Mullapudi Ventures LLC<br>4. Circulus LLC |

### Transactions with related parties during the year ended March 31 2019

| Nature of transaction       | Key Management Personnel | Person having significant influence | Enterprises controlled by person having significant influence | Balance as on March 31 2019 |
|-----------------------------|--------------------------|-------------------------------------|---|-----------------------------|
| Remuneration                | 0                        |                                     |   | 0                           |
| Borrowings taken            | 100000                   | 3300000                             |   | 3300000                     |
| Borrowings repaid           | (100000)                 | 0                                   |   | 0                           |
| Sale of services            |                          |                                     | 0   | 0                           |
| Receipt of services         |                          |                                     | 0   | 0                           |
| Balance as on March 31 2019 | 0                        | 3300000                             | 0   | 3300000                     |

**FRONTIER INFORMATICS LIMITED**

Regd. Office: Plot No.31P & 32, 3rd Floor, Tower A, Ramky Selenium, Financial District,  
Nanakramguda Hyderabad – 500032, TG

Website: www.fitlindia.com, Email: company.secretary@fitlindia.com; CIN : L72200TG1986PLC006644

**FORM OF PROXY****Thirty First Annual General Meeting****30<sup>th</sup> September, 2019**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]**

CIN : L72200TG1986PLC006644  
 Name of the Company : Frontier Informatics Limited  
 Registered Office : Plot No. 31P & 32, 3rd Floor, Tower A, Ramky Selenium, Financial District, Nana-  
 kramguda Hyderabad – 500032

Name of the Member(s)

Registered Address

E-mail ID

Folio No / Client ID \*

DP. ID No \*

I/We being the member(s) of the Company holding ..... shares hereby appoint

1. Name : E-mail ID :

Address : Signature :

or failing him

2. Name : E-mail ID :

Address : Signature :

or failing him

3. Name : E-mail ID :

Address : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty First Annual General Meeting, to be held on 30<sup>th</sup> September, 2019 at 10:30 A.M at Hotel Minerva Grand, Hall summit, first floor, Beside 'Google' office, Kondapur, Hyderabad - 500 084 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:



| Resolution No.    | Resolution(s)  | Vote (Optional See Note 2) |         |
|-------------------|--|----------------------------|---------|
|                   |  | For                        | Against |
| Ordinary Business |  |                            |         |
| 1.                | Adoption of Audited Financial Statements   |                            |         |
| 2.                | To appoint a Director in place of Mr. Ramarao Atchuta Mullapudi, who retires by rotation, and being eligible, offers himself for re-appointment. |                            |         |
| 3.                | Appointment of Statutory Auditors  |                            |         |
| Special Business  |  |                            |         |
| 4.                | Appointment of Ms. Kolla Sudha as an Independent Director of the Company   |                            |         |
| 5.                | Approval for Related Party Transactions with Xenosoft Technologies (India) Private Limited   |                            |         |
| 6.                | Approval for Related Party Transactions with XTGlobal Inc.   |                            |         |
| 7.                | Approval for Related Party Transactions with Circulus LLC.   |                            |         |
| 8.                | Appointment of Mr. Ramarao Atchuta Mullapudi as a Chairman and Managing Director of the Company  |                            |         |
| 9.                | To Consider Preferential allotment of shares   |                            |         |
| 10.               | Approval for change in name of the Company   |                            |         |
| 11.               | Appointment of Mr. China S N Murthy Anupindi (DIN:05149921) as an Independent Director of the Company  |                            |         |
| 12.               | Appointment of Mr. Sreenivasa Rao Potti (DIN: 05119348) as an Independent Director of the Company  |                            |         |

Signed this .....day of ....., 2019.

Signature of Shareholder .....

Signature of Proxy Holders.....

Affix  
Revenue  
Stamp

\* Applicable to Members holding shares in electronic form.

**Notes:**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for/against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

**FRONTIER INFORMATICS LIMITED**

Plot No. 31 P & 32, 3rd Floor, Tower A, Ramky Selenium, Financial District,  
Nanakramguda, Hyderabad-500032, Telangana, India

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

31<sup>th</sup> Annual General Meeting on 30<sup>th</sup> September 2019

Full name of the members attending \_\_\_\_\_ (In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. Of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of the Frontier Informatics Limited, be held on 30<sup>th</sup> September, 2019 at 10:30 A.M at Hotel Minerva Grand, Hall summit, first floor, Beside 'Google' office, Kondapur, Hyderabad - 500 084, Telangana, India

(Member's /Proxy's Signature)

**Note:**

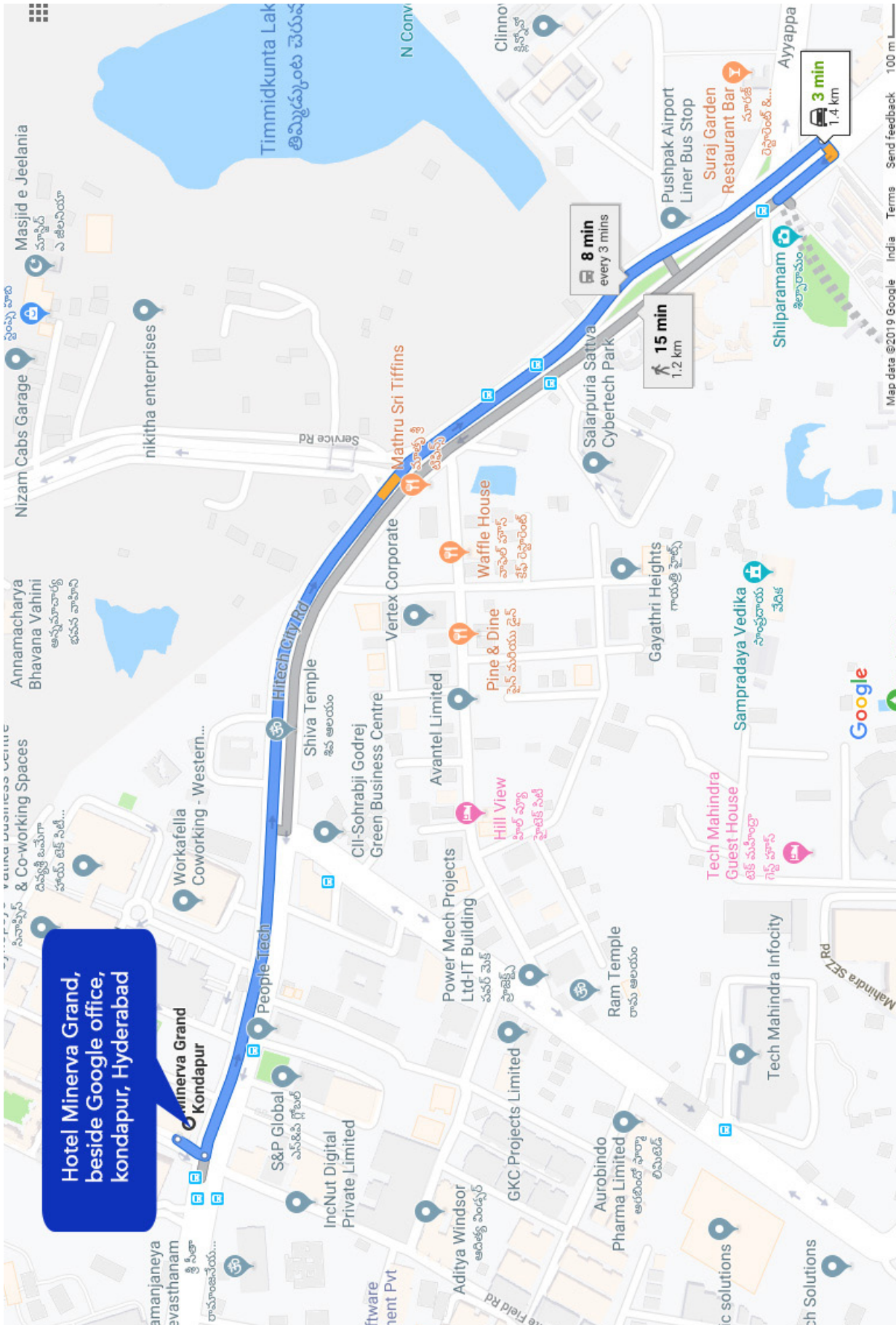
1. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2. The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3. A Proxy need not be a member of the Company.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

**Form No. MGT-12****Polling Paper**

**[[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]**

| <b>FRONTIER INFORMATICS LIMITED</b>   |  |                                |                            |                             |
|---|--|--------------------------------|----------------------------|-----------------------------|
| Plot No. 31 P & 32, 3rd Floor, Tower A, Ramky Selenium, Financial District,<br>Nanakramguda, Hyderabad-500032, Telangana, India   |  |                                |                            |                             |
| S. No   | Particulars  | Details                        |                            |                             |
| 1.  | Name of the First Named Shareholder (In block letters)   |                                |                            |                             |
| 2.  | Postal address   |                                |                            |                             |
| 3.  | Registered folio No. /*Client ID No. (*Applicable to investors holding shares in dematerialized form)  |                                |                            |                             |
| 4.  | Class of Share   |                                |                            |                             |
| I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner: |  |                                |                            |                             |
| Item No.  |  | No. of shares held by me       | I assent to the resolution | I dissent to the resolution |
| 1.  | Adoption of Audited Financial Statements   |                                |                            |                             |
| 2.  | To appoint a Director in place of Mr. Ramarao Atchuta Mullapudi, who retires by rotation, and being eligible, offers himself for re-appointment. |                                |                            |                             |
| 3.  | Appointment of Statutory Auditors  |                                |                            |                             |
| Special Business  |  |                                |                            |                             |
| 4.  | Appointment of Ms. Kolla Sudha as an Independent Director of the Company   |                                |                            |                             |
| 5.  | Approval for Related Party Transactions with Xenosoft Technologies (India) Private Limited   |                                |                            |                             |
| 6.  | Approval for Related Party Transactions with XTGlobal Inc.   |                                |                            |                             |
| 7.  | Approval for Related Party Transactions with Circulus LLC.   |                                |                            |                             |
| 8.  | Appointment of Mr. Ramarao Atchuta Mullapudi as a Chairman and Managing Director of the Company  |                                |                            |                             |
| 9.  | To Consider Preferential allotment of shares   |                                |                            |                             |
| 10.   | Approval for change in name of the Company   |                                |                            |                             |
| 11.   | Appointment of Mr. China S N Murthy Anupindi (DIN:05149921) as an Independent Director of the Company  |                                |                            |                             |
| 12.   | Appointment of Mr. Sreenivasa Rao Potti (DIN: 05119348) as an Independent Director of the Company  |                                |                            |                             |
| Place:<br>Date:   |  | (Signature of the shareholder) |                            |                             |

# Road Map to the Venue of the AGM



17.458582, 78.371162

<https://goo.gl/maps/y1mt6LV3ocqU4vyt6>

# **FRONTIER**

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**INFORMATICS LTD.**

Reg. Off. : Plot No. 31 P & 32, 3rd Floor, Tower A, Ramky Selenium, Financial District,  
Nanakramguda, Hyderabad-500032, Telangana, India.