

# MPS Infotecnics Limited



CIN: L30007DL1989PLC131190  
An ISO 9001 - 2008 Company

September 11, 2018

To,  
The Manager- Listing  
National Stock Exchange of India Ltd.  
Exchange Plaza, C -1, Block -G,  
Bandra Kurla Complex, Bandra (East)  
Mumbai— 400051

The Manager -Listing  
BSE limited,  
Floor 25, P. J. Towers,  
Dalal Street,  
Mumbai —400001

NSE Symbol: VISESHINFO

Scrip Code: 532411

Subject: Notice of AGM & Annual Report Of The Company For The F.Y. 2017-18.

Ref.: ISIN Code No. – INE861A01058

Dear Sir,

Please find enclosed herewith the Notice of AGM of the Company to be held on 29th September, 2018 and Annual Report of the Company for the F.Y. 2017-18 for your records.

Thanking you,

Yours faithfully,  
For MPS Infotecnics Ltd.

Prakash Choradia  
AGM – Legal

Encl.: as above

Corporate Office : B-55, Sector - 65, Noida (U.P.)-201301  
Pg. +91-0120-4713900, Fax: +91-0120-4324040  
Regd. Office : 701, Arunachal Building,  
19, Barakhamba Road, New Delhi-1  
Pg. 011-43571044, Fax: 011-43571047  
E-mail : info@visheshinfo.com



29<sup>th</sup>

Annual Report  
2017-18



**MPS Infotecnics Limited**  
Solutions Unlimited

#### **CHARIMAN'S MESSAGE**

"We are focused on providing our customers with solutions that actually solve their business issues and assist their growth through innovative application of technology and information management in an easy-to-use manner"

**- Mr. Peeyushi Aggarwal**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Peeyush Kumar Aggarwal  
 Mr. Manoj Kumar Jain  
 Mrs. Madhu Sharma  
 Mr. Rachit Garg  
 Mr. Sanjay Sharma  
 Miss. Garima Singh

Managing Director  
 Independent Director  
 Independent Director  
 Additional Director  
 Chief Financial Official  
 Company Secretary & Compliance Officer

### STATUTORY AUDITORS

M/s. M/s. RMA & Associates LLP  
 Chartered Accountants  
 Plot No. 75, LGF, Patparganj Ind. Area,  
 Delhi 110092  
 Ph. No.: 011-45621214  
 Email: ca.jamit@gmail.com  
 FRN: 000978N/N500062

### BANKERS

Allahabad Bank  
 ICICI Bank  
 Axis Bank  
 HDFC Bank

### REGISTERED OFFICE

703, Arunachal Building,  
 19, Barakhamba Rad,  
 Connaught Place, New Delhi 110001  
 Ph: +91-11-43571044  
 Fax : +91-11-43571047  
 Email: info@viseshinfo.com  
 Website: www.viseshinfo.com  
 CIN: L30007DL1989PLC131190

### SUBSIDIARIES

- 1. Axis Convergence Inc, Mauritius**  
 Level 2, Max City Building, Remy Olliver Street,  
 Port Louis, Mauritius
- 2. Greenwire Network Ltd., Hongkong**  
 Block A, 15/F, Hillier Commercial Building,  
 65-67, Bonham Strand East, Sheung Wan,  
 Hongkong
- 3. Opentech Thai Network Specialists Co. Ltd.**  
 8/5, Soi Sukhumvit, 28 (Bannasarn), Sukhumvit Rd.,  
 Kolngton, Kolngtoey, Bangkok, Thailand

## COMMITTEES OF BOARD

COMMITTEES OF BOARD	
<b>AUDIT COMMITTEE</b> Mr. Manoj Kumar Jain, Chairman Mr. Peeyush Aggarwal, Member Mrs. Madhu Sharma, Member	<b>STAKEHOLDERS' RELATIONSHIP COMMITTEE</b> Mr. Peeyush Aggarwal, Chairman Mr. Manoj Kumar Jain, Member
<b>NOMINATION &amp; REMUNERATION COMMITTEE</b> Mr. Manoj Kumar Jain, Chairman Mr. Peeyush Aggarwal, Member Mrs. Madhu Sharma, Member	<b>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE</b> Mr. Peeyush Aggarwal, Chairman Mr. Manoj Kumar Jain, Member Mrs. Madhu Sharma
<b>RISK MANAGEMENT COMMITTEE</b> Mr. Manoj Kumar Jain, Chairman Mr. Peeyush Aggarwal, Member Mrs. Madhu Sharma, Member	

## NOTICE

NOTICE is hereby given that Twenty Ninth Annual General Meeting of the Company will be held on Saturday, the 29th day of September, 2018 at 10:30 A.M at the registered office of the Company at 703, Arunachal Building, 19 Barakhamba Road, Connaught Place-110001 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the year ended March 31, 2018, the Statement of Profit and Loss for the year ended on that date, Cash Flow Statements and the reports of the Board of Directors ('the Board') and Auditors thereon.
2. To appoint Statutory Auditor of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time and pursuant to the recommendation of the audit committee M/s. Nimani Garg Agarwal & Co., Chartered Accountants, bearing Firm Registration no. 010192N, be and are hereby appointed as the Statutory Auditors of the Company, in place of M/s. RMA & Associates LLP, Chartered Accountants, Firm Registration No. 000978N, whose term as Statutory Auditors expires pursuant to the provisions of section 139(2) of the Companies Act read with Companies (Audit and Auditors) Rules, 2014, to hold the office for a term of 5 (Five) years from the conclusion of this AGM till the conclusion of AGM to be held in the financial year 2022-23 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2019 as may be determined by the audit committee in consultation with the auditors.”

### SPECIAL BUSINESS

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

**To consider and appoint Mr. Rachit Garg, (DIN No. 07574194) as Director of the Company**

**“RESOLVED THAT** Mr. Rachit Garg, (holding DIN 07574194) who was appointed as an Additional Director on the Board of Directors ('Board') of the Company with effect from 30th May 2018, in terms of the provisions of Section 161 of the Companies Act, 2013 and the rules made thereunder and whose term of office expires at the forth coming Annual General Meeting holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retire of directors by rotation.”

4. Approval of contract/arrangement for material related party transactions with various related parties: To consider and if thought fit to pass with or without modifications, the following resolution as Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (including any amendment, modification or re-enactment thereof), and subject to such other approvals from such Authorities as may be required in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering any services from related parties or appointment of

such related party to any office or place of profit in the company or its associate companies, if any or reimbursement of any transaction or any other transaction of whatever nature with related parties:

Sr. No	Name of the Related Party	Relationship	Maximum Value of Transactions per annum with effect from April 01, 2018 (Rs. in Crores)
1	Mr. Peeyush Kumar Aggarwal	Managing Director of the Company and also a Promoter of the Company	Rs. 50.00 Crores
2	M/s. Omkam Global Capital Pvt. Ltd.	Promoter of the Company and Mr. Peeyush Kumar Aggarwal is a common Director	Rs. 50.00 Crores

\* Expected maximum annual value of transactions per related party over the year

“**RESOLVED FURTHER THAT** the board of directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

- To appoint Mr. Peeyush Kumar Aggarwal (DIN No. 00090423) as Managing Director of the Company

To consider and if thought fit to pass with or without modifications, the following resolution as Ordinary Resolution:

“**RESOLVED THAT** subject to such consents and permissions, as may be necessary, approval of the shareholders of the Company be and is hereby accorded in terms of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013, including any statutory modification or re-enactment thereof, Mr. Peeyush Kumar Aggarwal (holding DIN 00090423) be and is hereby appointed as the Managing Director of the company with effect from 3rd January 2018 on the terms and conditions as set out hereunder:-

### Terms & Conditions of Appointment:

#### (i) Tenure:

Upto Three (3) years as may be decided by the Board of Directors. His period of office shall not be liable to determination by retire of directors by rotation

#### (ii) Remuneration:

At present NIL for his tenure of three (3) years. However, the Board or any Committee thereof in its absolute discretion may from time to time will review the salary that may be payable to Mr. Peeyush Kumar Aggarwal subject to the provisions of Section 196 and 197 and Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder.

#### (iii) Functions:

Mr. Peeyush Kumar Aggarwal shall discharge such duties and functions as may be assigned to him by the Board of Directors from time to time.

**(iv) Sitting Fees:**

No sitting fees shall be paid to Mr. Peeyush Kumar Aggarwal at present to attend the Board Meetings/ Committee Meetings of the Directors.

**(v) Termination:**

The appointment of Mr. Peeyush Kumar Aggarwal as Managing Director may be terminated by either party by giving to the other one month notice in writing.

**“RESOLVED FURTHER THAT** if in future the Company decides to pay remuneration to Mr. Peeyush Kumar Aggarwal, as Managing Director, the Company shall obtain a fresh approval from the shareholders of the Company”.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to file the necessary forms with the office of the Ministry of Corporate Affairs, Delhi and are further authorized to complete the other necessary formalities as are required to give effect to above resolutions.”

**6. To consider and approve disinvestment in subsidiaries of the company**

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

**“RESOLVED THAT,** pursuant to Section 180 (1) (a) and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and subject to all other applicable provisions of the Companies Act, 2013, if any, (Including any statutory modifications, or re-enactment thereof for the time being in force), Regulation 24(5) and any other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder, the provisions of the Memorandum and Articles of Association of the Company, and other applicable statutory provisions and regulations, if any, as amended from time to time, and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, and/or other institutions or bodies, statutory authorities, and such conditions or modifications as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the powers conferred by this resolution), consent of members be and is hereby accorded, including confirmation of actions taken hitherto to the Board to sell / disinvest by way of the sale, transfer or disposal of the entire or substantially the entire shareholding of the Company in one or more trenches at a price determined as per RBI guidelines and on such terms and conditions and with such modifications, as may be required by any of the concerned authorities or as the Board of the company may deem fit and appropriate in the interest of the Company in wholly owned subsidiaries of the company namely, Axis Convergence INC., Mauritius; Greenwire Network Ltd., Hongkong; and Opentech Thai Network Specialists Co. Ltd., Thailand.



**“RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company:-

1. to do all such acts, deeds, matters and things including but not limiting to deciding the time when the disinvestment be done by the Company;
2. the manner of disinvestment , extent of disinvestment , other incidental and ancillary activities thereto, determining such other terms and conditions relevant to the disinvestment;
3. negotiating and finalizing the terms of sale, negotiating, finalizing and executing share sale purchase agreement(s) by whatever name called, such other agreements, deeds, documents, indemnities, contracts, declarations, undertakings, forms, letters, and such other papers as may be necessary , desirable, and expedient to be agreed, signed and executed;
4. to determine the final consideration / pricing;
5. to make all such filings, and applications, for the statutory / regulatory and other approvals as may be required in the matter and to complete the aforesaid transaction;

**“RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/or any of its Directors and/or Officers and/or representatives for and in the name of the Company in this regard be and the same are hereby noted, ratified and approved.

**For and on behalf of the Board  
MPS Infotecnics Ltd.**

**Place : New Delhi  
Date: 14th August, 2018**

**SD/-  
Peeyush Aggarwal  
Chairman & Managing Director  
DIN No. 00090423**

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority as applicable.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. Members/proxies should bring the attendance slips duly filled in and PHOTO ID proof for attending the meeting.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("the Act") and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
5. Members holding shares in physical form are requested to forward all applications for transfers and all other shares related correspondence (including intimation for change in address) to the Company's Share Transfer Agents MAS Services Ltd., Unit : MPS Infotec Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, Tel. No. +91 11 26387281-83, Email – info@masserve.com. Members holding shares in electronic form are requested to notify change in their address to their Depository Participant. Further pursuant to SEBI Circular bearing no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has directed all the listed companies, RTA and the Dividend / Interest / redemption processing Bankers to obtain the bank and/or PAN details of all its shareholders and/or its Debenture holders. Necessary communication in this regard has already sent by your company.
6. Since the Company's shares are in compulsorily traded in demat form, to ensure better service and eliminating risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest. Further it is being informed to all the stake holders of the Company that shareholders who are holding shares in physical form shall not be able to transfer / transmit / transpose their shares in physical form from 5th December 2018. In this regard kindly peruse SEBI Notification bearing No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 available on the SEBI's website, www.sebi.gov.in.
7. To avail the facility of nomination, Members holding shares in physical form may write to the Company for obtaining the Nomination Form (Form SH-13). Members holding shares in electronic form, may fill the nomination form with the respective Depository Participant.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 24th September 2018 to Saturday the 29th September 2018 (both days inclusive).
9. All members are requested to bring their own copy of Annual Report along with them.

10. In Compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electric voting service facility arranged by Central Depository Securities Limited. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The Instructions for e-voting are annexed to the Notice
11. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their Demat Account. Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, MAS Services limited, T-34, 2nd Floor, Block T, Okhla Industrial Estate Phase II, New Delhi, Delhi 110020.
12. Members desiring any information with regard to accounts and operations of the Company are requested to write to the Company at least 10 days before the date of the meeting to enable the management to keep the information available at the meeting.
13. To support the 'Green Initiative', the members who have not registered their e-mail address are requested to register the same and to intimate the changes, if any, in their address and e-mail-ID to the Company/or Registrar and Share Transfer Agent for better communication in future and as part of effective Corporate Governance.
14. The Annual Report 2017-18, the Notice of the 29th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose e-mail addresses are registered with the Company/Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
15. Members may also note that the Notice of the 29th AGM and the MPS Annual Report 2017-18 will be available on the Company's website, [www.mpsinfotec.com](http://www.mpsinfotec.com). The Physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [info@mpsinfotec.com](mailto:info@mpsinfotec.com).
16. Additional Information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors seeking appointment/re-appointment at the AGM is furnished in the Notice. The Directors have furnished consent/ declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules there under.
17. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting venue. Attendance at the Annual General Meeting will not be allowed without the production of the "Attendance Slip" duly filed and signed.
18. 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.
19. Voting through electronic means:

The Instructions for Shareholders/Members voting electronically are as Under:

- i. In compliance with the provisions of section 108 of the Companies Act, 2013 and with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice. The members, whose name appear in the Register of Members, Holding shares in Physical or in dematerialized form, as on the Cut-off date (Record Date) i.e. Friday the 21st day of September, 2018, are entitled to cast their votes electronically on the resolutions set forth in this Notice. The e-voting will commence at 9.00 a.m. on Wednesday, 26th September, 2018 and will end at 5.00 p.m. on Friday, 28th September, 2018.
- ii. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on “Shareholders” tab.
- v. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in de-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

<b>For Members holding Shares in Demat Form and Physical Form</b>	
<b>PAN*</b>	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits Sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your de-mat account or in the company records in order to login.
<b>OR</b> Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein

they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for MPS Infotecnics Limited on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. If De-mat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e., 21st September, 2018 may follow the same instructions as mentioned above for e-Voting.

**General Instructions:**

- i. The e-voting period commences on 26th September, 2018 and ends on 28th September, 2018. During this period, shareholders of the Company holding shares either in Physical form or in dematerialized form, as on the cut-off date, i.e., 21st September, 2018 may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again.
- ii. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evotingindia.com> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iv. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. 21st September, 2018.
- v. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through Postal Ballot paper for all those members who are present but have not cast their vote electronically using the remote e-voting facility.
- vi. The Company has appointed M/s. Kundan Agarwal & Associates (CP No. 8325), Company Secretaries as the scrutinizer who will collate the electronic voting process in a fair and transparent manner.
- vii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the AGM to the chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
- viii. The results shall be declared on or after the AGM of the Company. The results along with the Scrutinizer's Report shall be placed on the Company's website [www.mpsinfotec.com](http://www.mpsinfotec.com) and on the website of CDSL within two (2) days of the passing of the resolutions at the 29th AGM of the Company to be held on Saturday the 29th day of September, 2018.

**For and on behalf of the Board**  
**MPS Infotecncs Ltd.**

**SD/-**

**Place : New Delhi**

**Date: 14th August, 2018**

**Peeyush Aggarwal**  
**Chairman & Managing Director**  
**DIN No. 00090423**

**Explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the business set out in the accompanying Notice.**

**ITEM NO. 2**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. RMA & Associates LLP, Chartered Accountants, had been the statutory auditors of the Company and had been conducting Audit of your company since 2008-09. Pursuant to the provisions of section 139(2) which states that, "No listed Company or a company belonging to such class or classes of Companies as may be prescribed, shall appoint or re-appoint –

- (a) An individual as auditor for more than one term of five consecutive year; and
- (b) An audit firm as auditor for more than two terms of five consecutive years

In terms of the said provisions and rules framed thereunder, M/s. RMA & Associates LLP, Chartered Accountants, Firm Registration no. 000978N have completed two terms of five consecutive years, therefore, the company has to appoint a fresh Chartered Accountant, to conduct audit of the company.

The Audit Committee, in its meeting held on 14th August 2018 had recommended the appointment of M/s. Nemani Garg Agarwal & Co., (Firm's Registration No. 010192N), Chartered Accountants, Delhi as the Statutory Auditors of the Company and the Board of Directors in their meeting held on 14th August 2018 have also recommended their appointment as the statutory auditors of the Company for a period of 5 years commencing from the conclusion of this Annual general Meeting till the conclusion of the Annual General Meeting of the Company to be held in the Year 2023.

**Brief Profile of Nemani Garg Agarwal & Co.**

**Nemani Garg Agarwal & Co.** is a leading chartered accountancy firm rendering comprehensive professional services which include Audit, Management Consultancy, Tax Consultancy, Accounting Services, Manpower Management, Secretarial Services etc.

**Nemani Garg Agarwal & Co.** is a professionally managed firm. The team consists of distinguished Chartered Accountants, Corporate Financial Advisors and Tax Consultants. The firm represents a combination of specialized skills, which are geared to offers sound financial advice and personalized proactive services. Those associated with the firm have regular interaction with industry and other professionals which enables the firm to keep pace with contemporary developments and to meet the needs of its clients.

Your company has received written consent of the auditor to such appointment in terms of Section 139 & 141 of the Companies Act, 2013, as amended, and have also obtained a certificate in terms of Rule 3 & 4 of the Companies (Audit & Auditors) Rules, 2014, to the effect that it is eligible for appointment and is not disqualified for appointment under the act, Chartered Accountants Act, 1949, and rules and regulations made thereunder; the proposed appointment is as per the term provided under the Act; the proposed appointment is within the limits laid down by or under the authority of the Act; and that there are no proceedings against the firm or any partner of the firm pending with respect to professional matter of conduct before the Institute of Chartered Accountants of India or other competent authority or court; that they satisfy the criteria as provided under section 141 and other provisions, if any, of the Companies Act, 2013.

Further pursuant to the provisions of section 139 read with Rules framed thereunder, Auditor, the resolution appointing M/s. Nemani Garg Agarwal & Co, is being placed for consideration by the members in the ensuing Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives, in any way and / or manner, deemed to be concerned or interested financially or otherwise, in the Ordinary Resolution as set out in the Notice.

**ITEM NO. 3**

The Board of Directors, at its meeting held on May 30, 2018, appointed Mr. Rachit Garg as an Additional Director of the Company with effect from May 30, 2018, pursuant to Section 161 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modifications or re-enactment(s) thereof for the time being in force).

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Rachit Garg holds office up to the conclusion of the ensuing AGM. Pursuant to the provisions of Section 160 of the Companies Act, 2013 as amended, the Nomination and Remuneration Committee, in its meeting held on 30th May 2018 has recommended the candidature of Mr. Rachit Garg for the office of Director, to be appointed as such under the provisions of Section 149, 152 (6) of the Companies Act, 2013. Appointment of Mr. Rachit Garg, as Director of the Company shall be liable to retire by rotation pursuant to the provisions of section 152(6) of the Companies Act, 2013.

The Company has received from Mr. Rachit Garg (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of the Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Rachit Garg, Non-Executive Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under. Mr. Rachit Garg is Liable to retire by rotation pursuant to the provisions of sub-section (6) of Section 152 of the Companies Act, 2013.

**Brief Profile of Mr. Rachit Garg**

Mr. Rachit Garg is an MBA Finance & Marketing from UP Technical University, Meerut apart from being a Commerce Graduate from Chaudhary Charan Singh University, Meerut. He has a rich experience of over 7 years in Accounts & Finance. He had earlier worked with Geiper Consulting Pvt. Ltd. in the Accounts & Finance Department and he specializes in marketing of financial products.

Companies (other than Visesh Infotecnics Limited) in which he holds directorship and committee memberships are as follows:-

<b>Name of the Company</b>	<b>Nature of Interest</b>
ONUS PLANTATIONS AND AGRO LIMITED	Director
ONSHORE SHIPPING LIMITED	Director
ESHOPPERS INDIA LIMITED	Director

Mr. Rachit Garg do not hold any shares in the Company.

Your directors are of the view that company would be immensely benefitted by the expertise and guidance of Mr. Rachit Garg and therefore recommend his approval, the resolution contained in Item No. 2 of this Notice convening the Annual General Meeting.

Except Mr. Rachit Garg, being an appointee, none of the Directors, Key Managerial Personnel of the company and their relatives, is concerned or interested, financial or otherwise in the resolution set out in item no.2.

The Board of Directors recommends the resolution for approval by the members.



**ITEM NO. 4**

Section 188 of the Companies Act, 2013 read with rules 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended, prescribe certain procedure for approval of related party transactions. The Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also prescribed seeking of shareholder's approval for material related party transactions. Proviso to section 188 provides that nothing contained in sub-section (1) of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on an arm's length basis.

All the proposed transactions put up for approval are in ordinary course of business and at arm's length. Pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following contracts / arrangements / transactions are material in nature and require the approval of the unrelated shareholders of the Company by an Ordinary Resolution:-

S. No.	Name of the Related Party	Relationship	Maximum Value of Transaction	Nature and Material Terms / Particulars of the contract / arrangement
1	Mr. Peeyush Kumar Aggarwal	Promoter and Managing Director	Rs. 50.00 Cr.	Advances payable on Demand or as and when the Company has surplus funds
2	Omkam Global Capital Pvt. Ltd.	Promoter Company	Rs. 50.00 Cr	Advances from customer for development of Software

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments there to and the Company's Related Party Transaction Policy are furnished hereunder:

Name of Related Party	As per table above
Name of the Director or Key Managerial Personnel who is related, if any	Mr. Peeyush Kumar Aggarwal
Nature of relationship	As per table above
The Nature, material terms, monetary value and particulars of the contract or arrangements	As per table above
Any other information relevant or important for the members to take a decision on the proposed resolution	None

The above contracts/arrangements/transactions were approved by the Audit Committee at its meeting held on 30th May, 2018 and recommended by the Board of Directors at its meeting held on 30th May, 2018 to the unrelated shareholders of the Company for their approval.

As per Reg. 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material related party transactions shall require approval of the shareholders through Ordinary Resolution and the related parties shall abstain from voting on such resolution whether the entity is a Related Party to the particular transaction or not. Further, as per Rule 15 of the Companies (Meetings of Board and its Powers), where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during discussion on the subject matter of the resolution relating to such contract or arrangement. Accordingly, all related parties of the Company, including, amongst others, Mr. Peeyush Kumar Aggarwal and Omkam Global Capital Pvt Ltd shall not participate or vote on this resolution.

The Board recommends this resolution set out in Item No. 4 of this notice for approval of the Members.

Mr. Peeyush Kumar Aggarwal is interested in the said resolution as a shareholder and as he is a common Director.

M/s. Omkam Global Capital Markets (P) is also interested in the resolution as it is also a shareholder of your Company holding (298562036 shares) i.e. 7.91% of total paid up capital of the Company.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

#### **ITEM NO. 5**

Pursuant to the provisions of Sections 197, 203 read with Section 2(54) of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and read with Schedule V of the Companies Act, 2013, and pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 3rd January 2018, appointed Mr. Peeyush Kumar Aggarwal, Director (DIN NO. 00090423) as Managing Director of the Company for a period of 3 years from 3rd January 2018 upon the terms and conditions and remunerations hereinafter indicated. The said appointment is subject to the approval of the Members of the Company in General Meeting.

#### **Brief Profile of Mr. Peeyush Kumar Aggarwal**

Mr. Peeyush Kumar Aggarwal, Aged about 55 years, is a fellow member of the Institute of Chartered Accountants of India. He has extensive experience of over 29 years in the field of Finance and Taxation; Corporate Laws; Project Management; strategic business planning etc. He is first generation Entrepreneur having a clear business vision. His business interests today are in the areas of Information Technology; Telecom; VAS; Animation and Gaming; Digital Cinema; Pharma; Real Estate; Construction & Hospitality; Garment Exports; and Broking (Shares, Commodities, Insurance). Mr. Peeyush Kumar Aggarwal, has given his consent to act as Managing Director of the Company and the Nomination and Remuneration Committee has recommended the appointment of Mr. Peeyush Kumar Aggarwal, as Managing Director of the Company.

The terms of appointment and Remunerations of Mr. Peeyush Kumar Aggarwal as Managing Director of the Company are as under:

**(i) Tenure:**

Upto three years as may be decided by the Board of Directors. His period of office shall not be liable to determination by retire of director by rotation.

**(ii) Remuneration:**

At present NIL for his tenure of three years. However, the Board or any Committee thereof in its absolute discretion may from time to time review the salary that may be payable to Mr. Peeyush Kumar Aggarwal subject to the provisions of Section 196 and 197 and Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

**(iii) Functions:**

Mr. Peeyush Kumar Aggarwal shall discharge such duties and functions as may be assigned to him by the Board of Directors from time to time.

**(iv) Sitting Fees:**

No sitting fees shall be paid to Mr. Peeyush Kumar Aggarwal at present to attend the Board Meetings/ Committee Meetings of the Directors.

**(v) Termination:**

The appointment of Mr. Peeyush Kumar Aggarwal as Managing Director may be terminated by either party by giving to the other party one month's notice in writing.

Mr. Peeyush Kumar Aggarwal, Director, holds directorship in following companies, including MPS Infotecnics Ltd.:

S.No	Name of the Companies	Designation
1	MPS INFOTECNICS LIMITED	Managing Director
2	INTERWORLD DIGITAL LIMITED	Director
3	ADVIK LABORATORIES LIMITED	Director
4	ONUS PLANTATIONS AND AGRO LIMITED	Director
5	NIRVANA BIOSYS PRIVATE LIMITED	Director
6	PRASHANT SOFTWARES PRIVATE LIMITED	Additional Director
7	PURNAGIRI ROPEWAY PROJECT COMPANYPRIVATE LIMITED	Director
8	MPS EXIM PRIVATE LIMITED	Director
9	ADVANTA BUILDWELL PRIVATE LIMITED	Additional Director
10	POWERSOFT SOLUTION PRIVATE LIMITED	Director
11	OMKAM INFOTEL PRIVATE LIMITED.	Director
12	MPS FASHIONS PRIVATE LIMITED	Director
13	WELCOME BUILDERS PRIVATE LIMITED	Director
14	OMKAM CAPITAL MARKETS PRIVATE LIMITED	Director
15	OMKAM DEVELOPERS LIMITED	Director
16	ONTIME CARGO AND COURIERS PRIVATELIMITED	Director
17	OMKAM COMMODITIES PRIVATE LIMITED	Director
18	OMKAM SECURITIES PRIVATE LIMITED	Director
19	OMKAM GLOBAL CAPITAL PRIVATE LIMITED.	Director

Yours directors are of the view that the company would be immensely benefited by the expertise and guidance of Mr. Peeyush Kumar Aggarwal and therefore recommends his approval in item no. 5 of this notice convening Annual General Meeting.

Except Mr. Peeyush Kumar Aggarwal, being an appointee, none of the Directors, Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in the resolutions set out in item no. 5. The Board of Directors recommends the resolution for approval by the members.

**Item No. 6**

Your company is presently engaged in System Integration and Networking Solutions (including but not limited to trading in hardware), Telecommunication; Enterprise Software; Domain Registration and web hosting; VAS and It Enabled Services.

Consequent upon merger of Axis Convergence Pvt. Ltd. with MPS Infotecnics Limited., Axis Convergence Inc. and Greenwire Network Limited became subsidiaries of the Company, whereas in Opentech Thai Network Specialists Co. Ltd., hereinafter referred to as OTNS, your company had purchased stake from the erstwhile shareholders of the OTNS and through preferential allotment of shares by OTNS and presently holds approximately 99% shares in OTNS.

Axis Convergence Inc. and Greenwire Network Ltd. are in the business of providing International Long Distance telephony. Axis Convergence Inc. was at one point in time one of the top 5 customers for Bharti Airtel and biggest player in the retail market for international voice cards. However, due to advent of

free internet telephony products in the mobile phone like skype, whatsapp, etc., the overall market size gradually went low. This has led to intense competition in the market to grab as much share as possible between players and Axis Convergence Inc. and Greenwire Network Ltd. were out played by the market forces. Mobile messaging business went down gradually due to advent of mobile messaging platforms like whatsapp and many others. As the business of these two subsidiaries have come down considerably and to revival of the business of these companies would need a sizable amount of investment which in the present scenario is not feasible.

Opentech Thai Network Specialist Co. Ltd., a Thailand based company is engaged in trading in Computer Hardware and Peripherals including Networking equipments. However, the past 5 years OTNS had been incurring losses & the Networth of the Company had been eroded. The revival of OTNS would need considerable amount of investment which in the present scenario is not feasible.

Further your company intends to focus on its existing business, hence the board of directors in its meeting held on 30th and 31st May 2018 had decided to disinvest entirely the whole or substantially the whole of its investment in the said subsidiaries, which in the opinion of the Board is in the overall interest of the Company. The proposed Special Resolution provide adequate flexibility and discretion to the Board to finalize the terms of sale in consultation with the advisors, experts and / or other authorities as may be required.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, as amended, a company cannot sell, lease, or otherwise dispose of the whole or substantially the whole of the undertaking without the consent of the members by way of a special resolution at the general meeting of the Company. Further in terms of Regulation 24(5) of the Listing Regulations, 2015, as amended from time to time, a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing special resolution in its general meeting. In view of the provisions contained in Companies Act, 2013 & Listing Regulations, 2015, the Company would require the approval of the Members of the Company through Special Resolution, for disinvesting its shareholding in the above mentioned three subsidiaries.

Accordingly, the consent of Members by way of Special Resolution is being sought for selling, transferring, the entire and/or substantially the entire shareholding in the company's wholly owned subsidiaries and / or substantially wholly owned subsidiaries.

None of the Directors and Key Managerial Personnel of the Company and their relatives, in any way and / or manner, deemed to be concerned or interested financially or otherwise, in the Special Resolution as set out in the Notice.

The Board recommends the resolution as set out in Serial no. 6 of the notice for approval of the shareholders.

**For and on behalf of the Board**  
**MPS Infotecncs Ltd.**

**Place : New Delhi**  
**Date: 14th August, 2018**

**SD/-**  
**Peeyush Aggarwal**  
**Chairman & Managing Director**  
**DIN No. 00090423**

## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting before you the Twenty-ninth Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

### I. FINANCIAL RESULTS

The Financial results of the company for the period under review are as below:

Particulars	Rs. In lacs			
	2017-18 Standalone	2017-18 Consolidated	2016-17 Standalone	2016-17 Consolidated
Income from operations	7,705.11	7,776.73	18,643.49	20,328.15
Other Income	685.87	685.87	140.29	145.74
Total Income	8,390.98	8,462.60	18,783.78	20,473.89
Total Expenditure	7,907.46	7,979.46	18,783.27	20,476.71
Profit / (Loss) Before Interest, Depreciation & Tax	483.52	483.14	0.51	(2.82)
Interest	321.17	321.17	40.04	40.04
Depreciation	162.53	162.53	106.84	106.84
Profit before Tax	(0.18)	(0.56)	(146.37)	(149.70)
Provision for Taxation				
a) Current Tax	-	-	-	-
b) Earlier year (Net)	(360.29)	(360.29)	-	-
c) Deferred Tax	108.98	108.98	(61.38)	(61.38)
Profit / (Loss) after Tax	251.13	250.74	(84.99)	(88.32)
Profit b/f. from previous year	(2,536.02)	(2,535.14)	(2,451.03)	(2,446.82)
Balance carried to Balance Sheet	(2,284.89)	(2,284.40)	(2,536.02)	(2,535.14)
Transfer to General Reserve	-	-	-	-
Paid-up equity Share Capital (Face value - Re. 1/-)	37,744.37	37,744.37	37,744.37	37,744.37
<b>Reserves &amp; Surplus</b>	<b>7,485.12</b>	<b>8,141.01</b>	<b>7,229.86</b>	<b>7,884.17</b>

### II. DIVIDEND

In order to plough back its resources, the Board has decided not to recommend any dividend for the year ended 31st March 2018.

### III. RESERVES

No amount is being carried to reserves.

### IV. SHARE CAPITAL

There is no change in the issued, subscribed and Paid-up equity share capital of the company

### V. CHANGES IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your company during the year under review

## **VI. DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

SEBI vide its letter dated 7th August 2017, took pre-emptive interim measures under section 11(1) of SEBI Act in respect of listed shall companies which included the name of your company also. SEBI directed stock exchanges to place trading restrictions on promoters / directors and place the scrip in the 'trade to trade' category with limitation on the frequency of trade and imposed a limitation on the buyers by way of 200% deposit on the trade value. The said measures were directed by SEBI pending final determination after verification of credentials and fundamentals by the Stock Exchanges, including by way of Audit and forensic audit, if necessary.

Pursuant to the above, National Stock Exchange (NSE) vide notice dated August 7, 2018 addressed to all its market participants, initiated actions envisaged in SEBI letter dated August 7, 2018 in respect of all the listed companies including your company w.e.f. 8th August 2017.

Your company had thereafter made representation, provided the stock exchange, on their request, the Auditors Certificate, inter alia to following effect:

- (a) Status of filing of Income Tax Returns for the last three years and status of disputes, if any, pending with the Income Tax Department.
- (b) Status w.r.t. your company's compliance with all requirements of Companies Act and Annual Returns filed during last three years; Your Company also provided Secretarial Audit Reports for the last three years.
- (c) Description of business model along with Bank statements of last year with active / dormant status, evidencing the company is a going concern
- (d) Status of Company w.r.t. defaults to any bank / financial institution
- (e) Status of compliance with all the listing regulations requirements for a period of last three years

Your company was given an opportunity of personal hearing in the matter by NSE. Pursuant to which NSE had submitted its report to SEBI, however, SEBI directed the Stock Exchanges to dispose of the representations received by them directly from the company.

NSE thereafter given another opportunity of personal hearing in the matter to your company in the month of December 2017 and raised certain queries and sought your company's reply in writing which was provided to NSE in January 2018. On 10th January 2018, disposed of your company's representation and modified the actions envisaged in SEBI's letter dated August 7, 2018.

The above directions took effect from the date of orders i.e. 10th January 2018 and are still in force.

The NSE thereafter sometime in the month of February 2018 appointed M/s. M.K. Aggarwal & Co. as the forensic Auditor to conduct audit of the company. Your company has fully co-operated with the said auditors and had concluded their audit. We presume that the said forensic auditors might have forwarded their report to the Stock Exchange, though there is no communication either from the Forensic Auditors or from the Stock Exchange.

## **VII. BUSINESS PERFORMANCE / FINANCIAL OVERVIEW**

### **THE COMPANY IS PRESENTLY ENGAGED IN THE FOLLOWING AREAS:**

- **IT Solutions & Products, which comprise of:**
  - System Integration and Networking Solutions (Including Hardware)
  - Enterprise Software

### **Trading of UID Kit**

The entire business has three modes of execution of business i.e. Trading of Hardware and Peripherals; Establishing IT Infrastructure and Customization and up-gradation. The Company, based on the orders, procures material from leading Dealers and Distributors of leading brands of IT and IT Infrastructure product manufacturers like HP, Samsung, LG, Lenovo, Dell, Acer, etc. thereafter the same are supplied.

- **IT Enabled Services comprising of:**

Domain Registration & Web Hosting Services

VAS & IT enabled Services

Aadhaar Enrolment

Printing of Election Cards

SignDomains™ is India's first ICANN Accredited domain registrar which offers on-line domain registration of top level domains (TLD) including .com .net .org .info .biz .in etc. Catering to a global client base through its on-line presence and secure payment gateway. SignDomains™ has several corporates, large portals, resellers and end-users as its clientele.

The Company has tied up with various top level TLDs and offer these TLDs to our clients through its network of over 400 Re-sellers as well as directly by the Company.

MPS offers web-hosting solutions on MPS dedicated servers located at server farms and data centres located in US.

Value added services like SMS, payment gateways, messaging, e-identity management, e-commerce are available for corporate clients and other businesses.

The Company was engaged by CSC e-Governance Services India Ltd. a Central Government organization for providing support for the implementation of the Election project in the state of Gujrat. We were also engaged by CSC e-Governance Services India Ltd. for printing of Election Cards.

- **Telecommunication, through web portal [www.uvapoint.com](http://www.uvapoint.com) comprising of**

DTH, Postpaid, prepaid mobile recharge;

Insurance;

Ola Car booking

The Company is aggressively working on capitalizing on the ever-growing telecom enabled services market in India. It has firmed up plans to push UVA Point – a retail platform – to offer a host of telecom enabled services to customers ranging from prepaid mobile top-up, post-paid mobile bill payment, DTH recharge, landline bill payments, data-card recharge / payments bulk SMS, mobile application and software application. The company has tied up with ANI Technologies Pvt. Ltd. for booking of OLA cabs through our web portal [www.uvapoint.com](http://www.uvapoint.com). Now our customers who do have smart phones, can book a cab through our web portal [www.uvapoint.com](http://www.uvapoint.com). The company has also tied up with Easy Policy Easy policy is an insurance web aggregators licensed as such by IRDA. The tie-up with Easy Policy has enabled insurance market place at UVApoint. Now our retailers can show an interested customer different offers from several insurance providers and customer can choose the best one as per his choice which in turn enables our retailers and the company to generate additional income from insurance services. Effective training of retailers and customer care services will back this activity.

In the fiscal year 2017-18 the consolidated revenues decreased to Rs. 7776.73 lacs from Rs. 20328.15

lacs during the previous year, whereby registering decline in revenues by 61.74%. The consolidated Profit / (Loss) before interest, depreciation and tax (EBIDT) is at Rs. 483.13 lacs as compared to loss of Rs. 2.82 lacs suffered by the company during the previous year. The consolidated Profit / (Loss) after Tax (PAT) during the financial year under review was Rs. 250.74 lacs as compared to loss of Rs. 88.32 lacs.

During the financial year under review the company had earned profits after tax of Rs. 1680.20 lacs which is on account of sale of one of the properties of the company and reversal of Income tax along with interest charged in earlier years.

During the Financial year 2017-18 the standalone revenues declined to Rs. 7705.11 lacs from Rs. 18643.49 lacs during the previous year, whereby registering a decline in revenues by 58.67%. Though there has been an increase in profits after tax of Rs. 251.13 lacs as compared to a loss of Rs. 84.99 lacs suffered by the company during the previous year. The profits again is on account of sale of one of the company's property and reversal of income tax along with interest charges in earlier years.

### Segment wise Performance

The segment wise revenues and profits are tabulated hereunder:

Segment	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Segment Revenue				
IT Solutions & Products	196.55	591.68	196.55	591.68
IT enabled Services	50.14	112.38	50.14	112.38
Telecommunications	7530.05	19624.09	7458.43	17939.43
Total Revenues	7776.73	20328.15	7705.12	18643.49
Segment Results - Profit / (loss) before Interest and tax)				
IT Solutions & Products	(3.24)	(15.09)	(3.24)	(15.09)
IT enabled Services	4.13	10.25	4.13	10.25
Telecommunications	(186.79)	(123.99)	(186.41)	(115.21)
Total	(185.91)	(128.84)	(185.52)	(120.06)
Less: Interest	321.16	40.04	321.17	40.04
Less: Other un-allocable Expenditure net off.	179.36	126.56	179.36	126.57
Add: Un-allocable Income	685.87	145.74	685.87	140.03
Profit before Tax	(0.56)	(149.70)	(0.18)	(146.37)

There has been a sharp decline in the business of the company which is mainly attributable to stiff competition both from the organized sector and unorganized sector, low margins and long credit periods. The company is still to come out of the effects of de-monetization. All the segments in which the company is engaged are under performing and your Company is taking stern steps to increase its market share.

In its endeavor to increase its market share in its existing business your company has decided to sell its stake in its subsidiaries subject to the approval by the shareholders in this Annual General Meeting and focus on its core business of development of enterprise software and Domain registration and web-hosting and Telecommunication.

Your company is optimistic and expects to generate revenues in the times to come.



MPS was registered with UIDAI as one of its enrolment agency for Aadhaar Card. However, due to technical issues and change in policy of appointment of Aadhaar Agency, your company could not meet the requirements hence the company's application for renewal had been kept pending by the Authority. Now that your company is able to meet the Policy requirements of Aadhaar Enrolment Agency, the company would again be applying for registration. Your company is hopeful that it would again get itself registered with UIDAI as an Enrolment Agency.

During the year under review the shares of your company were put under GSM Grade VI surveillance w.e.f. 7th August 2017 by the Stock Exchanges where the shares of your company are listed. Your Company made its representation before the National Stock Exchange, however, the Exchange appointed M/s. M.K. Aggarwal & Co. to conduct Forensic Audit of your company. Your company has fully co-operated with the said auditors and concluded their audit. We hope that they might have by now submitted their report to National Stock Exchange. Your company is yet to receive any communication in this regard from the Stock Exchange.

There are no material changes or commitments affecting the financial position of the Company between the end of the financial year and to the date of the report.

In summary, your company is well positioned in the markets it serves with a broad range of service offerings and a diversified customer base.

#### **VIII. DETAILS OF SUBSIDIARIES / JOINT VENTURES / ASSOCIATES COMPANIES**

Currently Your Company has three wholly owned foreign subsidiary Companies namely:-

M/s Axis Convergence Ltd. (Incorporated in Mauritius), M/s Greenwire Network Ltd. (Incorporated in Hong Kong) and Opentech Thai Network Specialists Co. Ltd. (OTNS) (Incorporated in Thailand).

In the last Annual General Meeting of the company held on 29th September 2017, the members had approved disinvestment in Opentech Thai Network Specialists Co. Ltd. (OTNS) a company incorporated in Thailand, however, the resolution approving disinvestment could not be given effect. Now the company is proposing to disinvest in all its subsidiaries to enable it to concentrate its businesses in India.

There has not been any material change in the nature of the business of the subsidiaries though the revenues have declined. During the year, the Board of Directors reviewed the affairs of the subsidiaries.

#### **Performance and financial position of each of the Subsidiaries, Associates and Joint Venture companies included in the Consolidated Financial Statements:**

The performance and financial position of the subsidiaries, associate companies and joint venture companies included in the consolidated financial statement is provided in accordance with the provisions of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 containing the salient features of the financial statement of Company's subsidiaries/joint ventures or associate companies in Form AOC – 1 in "Annexure I" to this report.

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards Ind AS 110 issued by The Institute of Chartered Accountants of India and shown the financial resources, assets, liabilities, income, profits and other details of your Company and its subsidiaries as a single entity, after elimination of minority interest.

The statement also provides the details of performance and financial position of each of the subsidiaries. In accordance with section 136 of the Companies Act, 2013 Audited Financial Statements, including the consolidated financial statements and related information of the Company and Audited Accounts of each of its subsidiaries, are available on our website [www.mpsinfotec.com](http://www.mpsinfotec.com). These documents will also be available for inspection till the date of the AGM during business hours at our registered office in New Delhi.

There are no subsidiaries, joint venture, or associate companies, which ceased to be the subsidiaries, joint ventures or associate companies during the year as prescribed under Rule 8(5) (iv) of the Companies (Accounts) Rules, 2014,

The policy for determining Material Subsidiaries formulated by the Board of Directors is disclosed on the Company's website and is accessible on <http://www.mpsinfotec.com>

## **IX. HUMAN RESOURCES**

Your Company is of the view that while Technology can enable processes but it is the People who actually make things happen. In a journey of delivering tangible business value to stakeholders, Associates are envisioned as a strategic differentiator for the Company.

Your Company promotes an empowered and collaborative work environment where leaders stay engaged with the Associates and encourage them to challenge conventional thinking. Our employees are our biggest assets. To meet the evolving need of our clients, our priority is to attract and engage the best talent in the right locations with the right skills.

Your Company is committed to providing a comprehensive employment experience to Associates with the flexibility to balance both professional and personal commitments. During their tenure at the Company, employees are motivated through various skill development programs. We create effective dialogue through our communication channels to ensure that feedback reach the relevant team, including leadership. Your Company invests substantially in employee engagement to motivate employees and encourage social communication and collaboration. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

## **X. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review all Independent Directors have given declaration that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

In order to strengthen the Board of the Company, the Nomination & Remuneration Committee recommended the candidature of Mr. Rachit Garg, DIN No. 07574194, to the office of Director of the Company. Consequent upon the recommendation by the Nomination & Remuneration Committee, the Board of Directors in its meeting held on 30th May 2018 appointed Mr. Rachit Garg, DIN No. 07574194, as an additional director pursuant to the provisions of section 161 of the Companies Act, 2013, who holds office up to the date of this Annual General Meeting and being eligible offers himself for this appointment as Non-Execution, Non-Independent Director of the Company liable to retire by rotation.

Pursuant to the provisions of section 160 of the Companies Act, 2013, the Company has received notice in writing from a member of the company, proposing Mr. Rachit Garg's candidature as Director of the company.

Mr. Rachit Garg is an MBA Finance & Marketing from UP Technical University, Meerut apart from being a Commerce Graduate from Chaudhary Charan Singh University, Meerut. He has a rich experience of over 7 years in Accounts & Finance. He had earlier worked with Geiper Consulting Pvt. Ltd. in the Accounts & Finance Department and he specializes in marketing of financial products.

Your company will be immensely benefited from his expertise and experience and therefore recommends his appointment as a Board Member.

During the year under review, Mr. Peeyush Kumar Aggarwal, DIN NO. 00090423, Mr. Manoj Jain, DIN NO. 02573858 and Mrs. Madhu Sharma, DIN NO.06947852 were the directors of the Company.

During the year Mr. Rahul Meena, Chief Executive Officer resigned with effect 12th July, 2017. Further the

Board, upon the recommendation of the nomination and remuneration committee, unanimously appointed Mr. Peeyush Kumar Aggarwal as Managing Director of the Company with effect from 3rd January, 2018.

Mr. Peeyush Kumar Aggarwal has a very long association with the Company i.e. he had been as the Board for the past nearly 2 decades and he is also the promoter of the Company. Mr. Peeyush Aggarwal, aged 55 years, is a Fellow Member of the Institute of Chartered Accountants of India. He has extensive experience of over 29 years in the field of Finance and Taxation; Corporate Laws; Project Management; strategic business planning etc. He is first generation Entrepreneur having a clear business vision. His business interests today are in the areas of Information Technology; Telecom; VAS; Animation and Gaming; Digital Cinema; Pharma; Real Estate; Construction & Hospitality; Garment Exports; and Broking (Shares, Commodities, Insurance). Other details required to be disclosed in terms of the provisions of Secretarial Standard on General Meetings form part of the Notice.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company except infusion of funds by Mr. Peeyush Kumar Aggarwal for the smooth functioning of the Company.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Peeyush Kumar Aggarwal, Managing Director, Mr. Sanjay Sharma, Chief Financial Officer and Miss. Garima Singh, Company Secretary & Compliance Officer were the Key Managerial Personnel of the Company during the year.

## **XI. COMMITTEES OF THE BOARD**

As on March 31, 2018, the Board had five committees namely: the audit committee, the nomination & remuneration committee, the stakeholders' relationship committee, Corporate Social Responsibility and Risk Management Committee. All Committees consists of Independent Directors. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report section of this Annual Report.

## **XII. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 read with Schedule II, Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has devised a policy on evaluation of performance of Board of Directors, Committees and Individual directors. Accordingly, the Chairman of the Nomination and Remuneration Committee obtained from all the board members duly filled in evaluation templates for evaluation of the Board as a whole, evaluation of the Committees and peer evaluation. The summary of the evaluation reports was presented to the respective Committees and the Board for their consideration.

The Board of Directors of your company has laid down Policy on appointment and removal of Directors, Key Managerial Personnel and Senior Management. The Board of Directors has also adopted Policy on Remuneration of the Directors, Key Managerial Personnel and other Employees. The said policies are available on the company's website [www.mpsinfotec.com](http://www.mpsinfotec.com), extracts of which are provided in Annexure – II to this report.

The Company's Policy on Appointment and Removal of Directors, KMPs and Senior Management, includes inter alia Succession Plan for the Board of Directors, KMPs and Senior Management. The Policy on Director's appointment and remuneration also includes criteria for determining qualifications, positive attributes, independence of Director and also remuneration for key managerial personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.

The Company has laid down a policy on training for Independent Directors as part of the governance policies.

The Board Members are regularly updated on changes in Corporate and allied laws, Taxation laws & matters thereto. MD along with Senior Management conducts exclusive sessions for the Board Members

sharing updates about the Company's business strategy, operations and the key trends in the IT industry relevant for the Company. These sessions generally coincides with the Board Meetings. These updates help the Board Members to keep themselves abreast with the key changes and their impact on the Company.

The details of programs for familiarization of the Independent Directors with the Company are available on the Company's website and can be accessed at the weblink; [www.mpsinfotec.com](http://www.mpsinfotec.com)

### **XIII. MEETING OF INDEPENDENT DIRECTORS**

Independent Directors of the Company met on May 30, 2018 to review the performance of non-independent directors, the Board as a whole for the FY 2017-18. The Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors. The Independent Directors in their separate meeting also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### **XIV. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statement relate and the date of the Report except that Mr. Rachit Garg, was appointed as an Additional Director of the Company w.e.f. 30th May 2018.

### **XV. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors, based on the representation(s) received from the Operating Management and after due enquiry, confirm that:

- a) in the preparation of annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies are consistently applied and reasonable, made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern basis'.
- e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the company, work performed by the Internal, statutory and secretarial auditors and the reviews performed by management and the relevant board committees, including the

audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

## **XVI.DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information

## **XVII. AUDITORS**

### **Statutory Auditor**

M/s. RMA & Associates LLP, Chartered Accountants, had been the statutory auditors of the Company and had been conducting Audit of your company since 2008-09. Pursuant to the provisions of section 139(2) which states that, "No listed Company or a company belonging to such class or classes of Companies as may be prescribed, shall appoint or re-appoint –

- (a) An individual as auditor for more than one term of five consecutive year; and
- (b) An audit firm as auditor for more than two terms of five consecutive years

In terms of the said provisions and rules framed thereunder, M/s. RMA & Associates LLP, Chartered Accountants, Firm Registration no. 000978N have completed two terms of five consecutive years, therefore, the company has to appoint a fresh Chartered Accountant, to conduct audit of the company.

The Audit Committee, in its meeting held on 14th August 2018 had recommended the appointment of M/s. Nemani Garg Agarwal & Co., (Firm's Registration No. 010192N), Chartered Accountants (CAs), Delhi as the Statutory Auditors of the Company and the Board of Directors in their meeting held on 14th August 2018 have also recommended their appointment as the statutory auditors of the Company for a period of 5 years commencing from the conclusion of this Annual general Meeting till the conclusion of the Annual General Meeting of the Company to be held in the Year 2023.

### **Brief Profile of Nemani Garg Agarwal & Co.**

Nemani Garg Agarwal & Co. is a leading chartered accountancy firm rendering comprehensive professional services which include Audit, Management Consultancy, Tax Consultancy, Accounting Services, Manpower Management, Secretarial Services etc.

Nemani Garg Agarwal & Co. is a professionally managed firm. The team consists of distinguished Chartered Accountants, Corporate Financial Advisors and Tax Consultants. The firm represents a combination of specialized skills, which are geared to offers sound financial advice and personalized proactive services. Those associated with the firm have regular interaction with industry and other professionals which enables the firm to keep pace with contemporary developments and to meet the needs of its clients.

Your company has received written consent of the auditor to such appointment in terms of Section 139 & 141 of the Companies Act, 2013, as amended, and have also obtained a certificate in terms of Rule 3 & 4 of the Companies (Audit & Auditors) Rules, 2014, to the effect that it is eligible for appointment and is not disqualified for appointment under the act, Chartered Accountants Act, 1949, and rules and regulations made thereunder; the proposed appointment is as per the term provided under the Act; the proposed appointment is within the limits laid down by or under the authority of the Act; and that there are no proceedings against the firm or any partner of the firm pending with respect to professional matter of conduct before the Institute of Chartered Accountants of India or other competent authority or court; that they satisfy the criteria as provided under section 141 and other provisions, if any, of the Companies Act, 2013,

Further pursuant to the provisions of section 139 read with Rules framed thereunder, the resolution appointing M/s. Nemani Garg Agarwal & Co, is being placed for consideration by the members in the ensuing Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives, in any way and / or manner, deemed to be concerned or interested financially or otherwise, in the Ordinary Resolution as set out in the Notice.

### **Secretarial Auditor**

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board on the recommendation of the Audit Committee appointed M/s. Kundan Agrawal & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the FY 2018-19.

### **Internal Auditors**

Pursuant to the provisions of Companies Act, 2013, and Rules thereunder, the Board of Directors on the recommendation of the Audit Committee has appointed M/s. Sanghi & Co., Chartered Accountants as the Internal Auditor of the Company for the FY 2018-19.

## **XVIII. AUDITOR'S REPORT**

The observations made in the Auditors' Report are as under:

1. The Company has shown in the balance sheet, bank balances in Banco Efisa (Lisbon Portugal) amounting to Rs. 350,977,439/- (USD8,883,210.75) which the bank has adjusted and the matter is in the court of law. Consequently the bank balances shown in balance sheet is overstated by Rs. 350,977,439/.
2. The Company has increased its Authorized Capital from Rs. 52.45 Crores to Rs. 377.50 crores during the period of FY-2010-11 to FY 2012-13, ROC fees of Rs. 4.88 crores towards the same stands payable, under the head "Other Current Liabilities" in the financial statements.
3. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 lacs and interest thereon is payable.

Report of the Statutory Auditor is annexed with the Annual Report, however, as regards qualifications made by the Auditors' in their report your directors state as under:

1. The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, Banco Efisa, the Bank in Portugal, wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law. During the criminal investigation, several new facts/documents have come to our knowledge and based on the evaluation of new facts/documents by Barristers, Senior Advocates and investigation carried out in India, London and Portugal; your Company has initiated a strong civil action for recovery of USD 8,883,210.75, along with interest, against Banco Efisa and its Holding Company, wherein our Portuguese advocates confirm that the chances of recovery are very high. The suit filed by your company before Portuguese courts is presently pending adjudication.
2. The Company had increased its authorised capital during the Financial Year 2010-11 to 2012-13, however, due to technical issues necessary forms along with the fees w.r.t. increase in authorised Capital could not be filed and paid. Meanwhile, the schedule of fees was increased as per the Companies Act, 2013. However, the authorised capital was increased prior to the applicability of Companies Act, 2013. Yet the ROC demanded fee as per the schedule under the Companies Act,

2013, retrospectively which is much higher than the fees payable under the Companies Act, 1956. Representations made with the Ministry of Corporate Affairs did not yield any results hence the company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014 which is pending adjudication.

3. As regards Auditors' remarks w.r.t. Income Tax for the Assessment year 2013-14 amounting to Rs. 20.80 Lacs and interest thereon is payable. It is stated that your company has already provided for the amount payable towards Income Tax for AY 2013-14 along with interest hence this liability has no further impact on the profits / retained earnings of the reported period of the Company.

The Audit Report prepared by the Statutory Auditors forms part of this Annual report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Kundan Aggarwal & Associates, Practicing Company Secretary, Delhi to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is provided as Annexure-III. There are no qualifications, reservation or adverse remark or disclaimer made in the Secretarial Audit Report

### **Reporting Of Frauds By Auditors**

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

### **XVII. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in the prescribed Form MGT-9 is annexed as Annexure-IV, which forms part of this report.

### **XVIII. PARTICULARS OF EMPLOYEES**

The ratio of the remuneration of whole-time director and key managerial personnel (KMP) to the median of employees remuneration as per section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to all the members of the Company and others entitled thereto, excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company. The said information shall also be made available for inspection at the registered office of the Company during working hours.

### **XIX. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.mpsinfotec.com/policies.htm>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are entered in the ordinary course of business and are at Arm's Length.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential

conflict with the interest of the Company at large.

None of the Directors have any material pecuniary relationships or transactions with the Company except to the extent of their shareholding.

Pursuant to Section 134 (3)(h) of the Companies Act, 2013 and Rules made thereunder, particulars of transactions with related parties as required under section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is annexed herewith as Annexure-V.

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

The Company is an equal opportunity provider and consciously strives to build a work culture that promotes the dignity of all employees. As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace.

The Company has zero tolerance on Sexual Harassment at workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **XXI. CORPORATE GOVERNANCE**

A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding Compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter-alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee also forms part of Report on Corporate Governance.

## **XXII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations forms part of this Report as Annexure VI.

## **XXIII. RISK MANAGEMENT POLICY**

In terms of the requirement of the Companies Act, 2013 the Company has developed and implemented the Risk Management Policy. The Audit Committee and the Board reviews the same periodically.

The Risk Management Committee of the Board of Directors periodically reviews the Risk Management framework, identified risks with criticality and mitigation plan.

The company has also laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

## **XXIV. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

The particulars of the loans, guarantees and investments have been disclosed in the financial statements.

## **XXV. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to section 135 of Companies Act, 2013, Company has constituted a CSR Committee, the details of which are available on the website of the Company (URL: [www.mpsinfotec.com/investors](http://www.mpsinfotec.com/investors)). Due to inadequacy of profit the Company had not contributed any amount towards CSR activities as required under the CSR Rules, 2014.

The Corporate Social Responsibility Committee of the Company has formulated and recommended to the



Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: [http://www.mpsinfotec.com/pdf/Coporate-Social-Responsibility \(CSR\)%20Policy-Final.pdf](http://www.mpsinfotec.com/pdf/Coporate-Social-Responsibility%20Policy-Final.pdf)

**1. The company's CSR Policy intends to:**

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

**2. The Composition of the CSR Committee during the Financial Year 2017-18 was:**

Mr. Peeyush Aggarwal	Promoter/Non-Executive Director and Chairman of the Committee till 2nd January 2018 and thereafter as Managing Director and Chairman of the Committee.
Mr. Manoj Kumar Jain	Independent Director and Member of the Committee.
Mrs. Madhu Sharma	Independent Director and Member of the Committee.

**3. Average net profit (Loss) of the company for last three financial years: (Rs. 38,019,063.33p)**

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Since the average net profits for preceding 3 financial years are in negative, therefore no amount that is required to be spent by the Company as CSR expenditure.

**4. Details of CSR spent during the financial year:**

- (a) Total amount to be spent for the financial year; Nil
- (b) Amount unspent, if any; Nil
- (c) Manner in which the amount sent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
Not Applicable since the company had suffered losses during the last three years							

**XXVI. DISCLOSURE REQUIREMENT**

As per Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, corporate governance report with auditors' certification thereon and management discussion and analysis are attached and forms part of this report.

Details of familiarization programme of the independent directors are available on the website of the Company (URL: [www.mpsinfotec.com/investors](http://www.mpsinfotec.com/investors)).

Policy on dealing with related party transactions is available on the website of the Company (URL: [www.mpsinfotec.com/investors](http://www.mpsinfotec.com/investors)).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Regulation 22 of the listing agreements with Stock Exchanges. (URL: [www.mpsinfotec.com/investors](http://www.mpsinfotec.com/investors)).

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The remuneration policy is also available on the company's website. (URL:[www.mpsinfotec.com/investors](http://www.mpsinfotec.com/investors)).

## **XXVII. DEPOSITS**

Though Your Company has not accepted any fixed deposits and, as such, no amount of Principal or interest on deposits from public was outstanding as of the date of balance sheet yet pursuant to the provisions of Chapter V of the Act, below is the details relating to deposits:

<b>S.No</b>	<b>Particulars</b>	<b>Amount *Rs.) / Remarks</b>
(a)	accepted during the year	Nil
(b)	remained unpaid or unclaimed as at the end of the year	Nil
(c)	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	N.A since the company has not accepted any deposits
	(i) at the beginning of the year	Nil
	(ii) maximum during the year	Nil
	(iii) at the end of the year	Nil

## **XXVIII. SECRETARIAL STANDARDS**

The Company has complied with the provisions of the applicable secretarial standards, i.e. SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standards on General Meeting).

## **XXIX. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Your Company is mainly engaged in the business of IT and IT enabled services, providing solutions to the customers. The operations of your Company are accordingly not energy intensive. However, adequate measures are taken to conserve energy and ensure its optimum consumption by using and purchasing energy-efficient equipments. Your Company is committed to follow a high standard of environmental protection and provision of a safe and healthy work place for our people, customers and visitors. As energy costs comprise a very small part of our total expenses, the financial impact of these measures is not material. The company has not imported any technology during the year under review.

## **XXX. RESEARCH & DEVELOPMENT**

Your Company strives to deliver high quality services to its customers and in such endeavor, constantly invests in and undertakes research & development aimed at improving its solutions. MPS has a dedicated business unit for Research & Development which delivers innovative solutions to clients and also fosters R&D within all business units to create intellectual property in the form of re-usable components, frameworks, etc., which help drive greater productivity. The company is carrying on R and D in multiple

forms, but all of these are focused on better efficiency through continuous improvement in processes, systems methodologies and capabilities. Your company is committed to provide I.T. solutions that are innovative and continuously upgraded in keeping with emerging technology trends by a motivated workforce that includes R and D group, on time; all the time; resulting in maximizing stake holder's value. We have continued to invest in some fundamental research involving small budget with long term perspective. In order to excel at new operations and activities. MPS stress is on continuous innovation and research, based on market requirements and customer expectations.

**XXXI. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars of foreign exchange earnings and outgo are as follows:

(Rs. In Lacs)		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Foreign exchange earnings	0.74	20.64
Foreign exchange Outgo	16.56	29.24

**XXXII. ACKNOWLEDGEMENTS**

The Board of Directors acknowledges their deep appreciation to our customers, vendors, Financial Institutions, Business Associates, Bankers and all other Stakeholders for their continued co-operation and support to the Company.

The Board places its special appreciation and values the trust reposed and faith shown by every shareholder of the Company.

The Board places on record its deep appreciation for the cooperation extended by Auditors of the Company. Further, the Board wishes to record its deep gratitude to all the members of MPS family for their whole hearted support. The Board is also confident that the employees will continue to contribute their best in the year to come.

**For and on behalf of the Board**  
**MPS Infotecnics Ltd.**

**SD/-**

**Peeyush Aggarwal**

**Chairman & Managing Director**

**DIN No. 00090423**

**Place : New Delhi**

**Date: 31st May, 2018**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Pursuant to Regulation 34(2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.**

### **Economy & Indian IT Industry**

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. India is the leading sourcing destination across the world, accounting for approximately 55 per cent market share of the US\$ 185-190 billion global services sourcing business in 2017-18. Indian IT & ITeS companies have set up over 1,000 global delivery centres in about 80 countries across the world.

More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, cost savings of 60–70 per cent over source countries; continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country.

### **India's IT Market Size**

The internet industry in India is likely to double to reach US\$ 250 billion by 2020, growing to 7.5 per cent of gross domestic product (GDP). The number of internet users in India is expected to reach 730 million by 2020, supported by fast adoption of digital technology, according to a report by National Association of Software and Services Companies (NASSCOM).

Indian IT exports increased to US\$ 126 billion in FY18 while domestic revenues (including hardware) advanced to US\$ 41 billion.

Indian IT and BPM industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.

Total spending on IT by banking and security firms in India is expected to grow 8.6 per cent year-on-year to US\$ 7.8 billion by 2017.

India's Personal Computer (PC) shipment advanced 11.4 per cent year-on-year to 9.56 million units in 2017 on the back of rise in the quantum of large projects.

Revenue from digital segment is expected to comprise 38 per cent of the forecasted US\$ 350 billion industry revenue by 2025.

### **Outlook**

The Indian Information Technology and Technology Enabled Services (IT-ITeS) industry continues to benefit significantly with an uptick in private equity investments. According to a report by Venture Intelligence, private equity investments in the sector rose in 2017, accounting for 46% of the investment value and growing by 140% to \$11.4 billion. Today, the IT-ITeS sector forms a formidable chunk of the India's burgeoning start-up ecosystem, ranking the third largest globally as per NASSCOM and is poised for growth, led by the incubation of innovative ideas and technologies.

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows US\$ 29.825 billion from April 2000 to December 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Leading Indian IT Companies are diversifying their offerings and showcasing leading ideas in blockchain, artificial intelligence to clients using innovation hubs, research and development centres, in order to create differentiated offerings.

Some of the major developments in the Indian IT and ITeS sector are as follows:

- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.
- Revenue growth in the BFSI vertical reached nearly 9 per cent y-o-y in the fourth quarter of 2017-18.
- As of March 2018, there were over 1,140 GICs operating out of India.
- Private Equity (PE)/Venture Capital (VC) investments in India's IT & ITeS sector reached US\$ 7.6 billion during April-December 2017.

### **Government Initiatives**

Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

- As a part of Union Budget 2018-19, NITI Aayog is going to set up a national level programme that will enable efforts in AI\* and will help in leveraging AI\* technology for development works in the country.
- The Government of India is going to explore new opportunities in various sectors such as providing BPO service from home, digital healthcare and agriculture to achieve the target of making India a US\$ 1 trillion digital economy.

### **Road Ahead**

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 135-137 billion in FY19.

Exchange Rate Used: INR 1 = US\$ 0.016 as of FY2018

**References:** Media Reports, Press Information Bureau (PIB), Department of Industrial Policy and Promotion (DIPP) statistics, Department of Information and Technology, Union Budget 2017-18

### **Challenges, Risk & Concerns**

The global IT-ITeS industry has tackled a multitude of challenges over time, weathering the storm but trudging on. In 2017, uncertainties around changes in the US administration including immigration regulations impacted companies in India and other emerging markets. Certain companies came in the line of fire from a regulatory perspective, including parent organizations being held responsible for lack of appropriate technical and organizational measures to keep personal data secure from their outsourced agencies. According to news reports, a UK-based global firm was fined almost INR 10 million by the Information Commissioner's office after confidential data of a few thousand customers was misused by employees of an outsourced call centre engaged by the organization.

Many IT organizations also witnessed a decline in employee headcount in the first half of the year, primarily due to lay-offs and employees moving to work with newer technology and domains. Issues around corporate governance impacted investor confidence as well as share prices. Other key threats that affected the sector included embezzlement, payroll and recruitment frauds, bribery and corruption.

Access to a sizeable and confidential amount of customer data has made the IT-ITeS sector increasingly vulnerable to cybercrime and data breaches. Last year, many firms succumbed to the notorious ransomware attacks of WannaCry and NotPetya, with systems getting locked down and a ransom demanded to retrieve data. More recently, news reports highlighted data breach at an IT company, exposing several million customer credit card records, user accounts and user login details, in addition to source codes of the company's own software products.

Collectively, these challenges highlight a pressing need to strengthen cybersecurity measures, adopt robust internal controls, with regular monitoring and updating, and incident response frameworks. The ransomware attack in 2017 demonstrates a critical need for companies to institutionalize robust information governance programs.

Interestingly, as the sector is still grappling with contemporary risks such as stakeholder information theft, network intrusion, malware and intellectual property infringement; it has taken rapid strides to adopt emerging technologies such as Artificial Intelligence (AI), smart contracts and transactions, robotic process automation, cloud services and blockchain.

Emerging technologies form an important facet in defining the future course of the Indian IT-ITeS sector, as it turns resilient with time. Organizations are moving beyond traditional analytics to adopt AI systems. A prominent example of upgrading internal controls in sync with today's environment is the use of in-house developed AI systems, designed with open-source tools as a combination of machine deep learning, data mining and human intelligence. For instance, while conventional analytics may spot a pattern of the same account being accessed by five internet protocol addresses within five days, and flag it as an anomaly, an organization's customized AI systems now can analyze situations diligently and assess if is a genuine transaction. For example, an employee purchasing gifts for relatives when travelling abroad.

AI is not an off-the-shelf solution – an effective AI system continuously learns, updates and transforms. To give an example, AI could be designed to periodically check for certain parameters such as an employee's rank-based expense eligibility, duplicate claims and expenses on a public holiday. However, instances of fictitious expense claims may still be found during forensic analysis, with employees 'bypassing' the AI system by claiming an expense twice in different months, with different expense amounts. Such manipulations can be addressed by constantly updating existing controls and proactive assessments.

Social media platforms, mobile, cryptocurrency and digital payments are also emerging as areas of concern. While historically, most organizations have predominantly focused on protecting their information systems and assets against external intruders, they are increasingly cognizant of safeguarding sensitive data against insider threats as well.

### **Future Prospects**

India is one of the most favoured offshoring destinations for IT organizations across the globe. The sector has the potential to grow multi-fold with its penchant for adapting to newer solutions and technologies. In 2018, one of the key developments impacting the Indian IT-ITeS sector will be EU's upcoming General Data Protection Regulation (GDPR) which aims at protecting the personal and private information of EU citizens. Considering the quantum of penalties which may be imposed in case of non-compliance, it is prudent that organizations put in time, effort and financial support to build strong compliance frameworks. An effective response plan that is quick to respond, prepared with the right tools and mitigation steps can assist in minimizing the cost and impact of the incident.

It is essential for IT organizations to train their employees and stakeholders to keep up with the emerging technologies and regulations as they deal with sensitive company and client data. With increasing governance challenges and enforcement from the government and regulators expected to augment as they actively track and penalize organizations for negligence toward stakeholders' interest, the IT sector also needs to bring greater transparency through measures like enhanced engagement of independent directors and institute robust whistle-blowing mechanisms. As opposed to the cost and efforts that comes with post-incident action in case of frauds or cybercrime, organisations need to consider the need for periodic proactive risk assessments to tackle conventional and new-fangled fraud risks, to keep their systems and controls up to date and detect early warning signs.

(Courtesy Ernst & Young)

## Telecommunication

It was few years back when Indian homes had a limited set of phones. It was a revolution when in August 1995 the first Mobile telephonic conversation happened between West Bengal's the then Chief Minister Shri. Jyoti Basu and the then Union Telecom Minister Shri. Sukhrum. This was a revolution in India and today each household with a family member of 4 has minimum 2 handsets. The handsets are either low end to high end smart phones like iPhone or Android OS.

Mobile phones are enabled with services from Mobile operators. Mobile operators are the service providers which enable a customer to activate the SIM card to talk, SMS and even surf the Internet. Not only urban but rural India has also seen in growth of Mobile phone users. The total mobile phone users in India have grown to 930 million which is around 73% of the total population.

Due to the vast customer base and daily activation of mobile operators, it has resulted in a huge market for recharge industry a state-of-the-art business model which enables hundreds and thousands of retailers to earn and enjoy the business that too just sending an SMS or just clicking the mouse button.

This business of recharges is not restricted to Mobile Operators but to all DTH giants like TATA Sky, BIG TV, DISH TV, Videocon D2H, SUN Direct DTH and Airtel DTH. People can also pay their utility bills, credit cards, travel ticket booking and can do money remittance.

The credit for enabling such a high end and real time payment goes to companies like EPRS, Euronet, Cyberplat, Bill Desk, Bill Junction, ITZ and Oxigen. The first concept of real time payment came in the minds of pioneers of these companies.

It was EPRS which started the first inventory less payment system using e-pins or Electronic Voucher Dispense. The Paper voucher market which was used by the Mobile operator as well as DTH industry was much unsecured and a hectic work which was maintained by Distributors and retailers of these DTH/ Mobile Operators. But as soon as e-pins started to penetrate in the market, the business also took a huge leap.

Then came the flexi top up system which enabled a retailer to directly top up a customer account without any hassle. Today the market share for paper voucher has gone down to mere 1% while the e-pin share the market for 5% and remaining giant share of 95% by **flexible top up system or flexi top up**.

The distributors and retailers are finding the way of using the virtual money more friendly then maintaining physical card vouchers. The payment technology in India has come a long way from just server based to cloud computing. This enables a retail store to send an SMS, Use web based, Mobile web (GPRS) or an Android app to do a payment when a customer walks in to the store. The payment technology companies are providing SAAS to these retailers and distributors reducing the capex and resulting in enhancement of business. The USP of using such services is the transparency in the revenue generation

The payment technology in India has come a long way from mobile and DTH payments to flight booking and money remittance. The ARPU (Average Revenue per User) or the ATS (Average Ticket Size) for mobile operators is around Rs.130/- which makes total revenue of Rs.12000 Crore. While ARPU or ATS of DTH industry is around Rs. 220 which makes a total business of Rs.11000 Crore. The total recharge which happens from all the Payment technology companies are only 1/8th of the total revenue shared. While the major share are with these direct operators.

Today not only distributors and retailers but end-users are also using the payment gateways to recharge their accounts. Web sites like [www.rechargeitnow.com](http://www.rechargeitnow.com), [www.freerecharge.com](http://www.freerecharge.com), [www.paytm.com](http://www.paytm.com) etc. have also come up with this concept for end users enabling a higher rate of customer flow in to these websites.

PSU and Non PSU banks too, have enabled the same concept through internet banking, enabling the customers to recharge their DTH account or mobile number or pay utility bills. Banks have found the essence in this business concept and have implemented it in their UI. Hence very beneficial for customers

who want to avoid queues and for banks to earn some extra profit.

Companies like ITZ an Essel group company have come up with a concept of card payment. This card can be also used for withdrawing money from ATMs, travel bookings and other day to day services. It has an approval from RBI which makes this card as a multi utility card and will be helpful for people staying in rural areas.

As per a survey carried out from McKinsey the total payment industry will grow by US \$ 45 Billion by 2016. This business opportunity is 7.8 times more than developed countries like the US, UK. This industry has a huge potential in the near future. A very smart business model will enable hundreds and thousands of job opportunities and a very high economic forecast will enable the GDP growth of India to reach new heights.

### **Challenges, Risk & Concerns**

The mobile wallet industry has been on a rapid growth trajectory as India moves to a less cash-dependent state. However, there are a number of challenges that the industry faces and needs to overcome.

The mobile wallet industry has been on a rapid growth trajectory as India moves to a less cash-dependent state. The value and volume of mobile wallet transactions more than doubled in the last year alone and as such the industry is leading the charge to making India a cashless economy. "Increased adoption of smartphones and mobile data packages has been one of largest contributors to this growth and as the penetration of the technology increases and mobile data costs come down, the industry is primed for further growth," says Rajat Wahi, Partner, Deloitte.

A research report by Deloitte says that the mobile wallet industry is expected to maintain the pace of its current expansion. Transaction volumes are expected to grow at a CAGR of 94% between FY17 and FY21 to reach 32 billion transactions. Value of the transactions is also expected to rise at a rate of 126% to reach Rs 32 trillion by the fiscal year 2021. As the penetration of mobile internet and smartphones aggregate, mobile wallets with their ease of use & convenience are expected to continue growing in popularity.

Along the road, however, there are a number of challenges that the industry faces and needs to overcome. These include the following:

**1. Inertia in adoption:** Cash transactions have been the dominant payment mode for Indians for a very long time. Even though the penetration of digital payments has been rapidly increasing, concerns regarding security, privacy and transparency of charges are still prevalent among consumers. Industry players will need to invest significant effort to overcome this barrier, not only through marketing campaigns, but also through actual continuous product improvement.

**2. Risk of security breaches and fraud:** The risks of a breach leading to financial loss is a very important decision factor for adoption of digital payment technologies. "Ensuring the security of the technological system is key, since singular events of breaches can lead to large reputational and financial losses for companies. Maintaining privacy of the consumers is also an important challenge, as an increased amount of data is collected and stored," says the Deloitte study.

**3. Competition from Credit & Debit Cards:** Cards form one of the biggest challenges to further adoption of mobile wallets. Given the current limits on transactions through this channel, limits which are wider in the case of cards does provide a significant roadblock to adoption.

**4. Issues with compatibility:** Not all applications are made for all operating systems on mobiles. Many products currently on the market are only compatible with one or two operating systems (most commonly iOS and Android). Consumers are looking for options that make transactions the most convenient, and issues with compatibility can hamper that experience. Ensuring compatibility across all the major operating systems will play a key role for these companies



**5. Consolidation in the industry:** Despite the surge in the user base and popularity, mobile payment companies are increasingly moving towards consolidation in the e-wallet space. For instance, PayU acquired Citrus Payments, Flipkart took over the payments app, PhonePe, while Shopclues acquired Momoe, the mobile wallet for offline stores. Lack of funding and growth in transactions between merchants and existing customers of wallet companies has forced consolidation in this space. Investors are looking at minimizing costs and changing the business model, issues the firms will need to address in the future.

**6. Impact of UPI:** Introduction of UPI has created greater competition for mobile wallets, but in the short term, mobile wallets are not expected to face a great impact. UPI-powered apps will need to deliver on a number of fronts including transaction costs and ease of use that rivals that of mobile wallets. However, there is scope for some future cannibalization, and is a challenge the industry must face in the long run.

**7. Moving beyond core services:** Players in the mobile wallet space have begun moving beyond their core service and delivering collateral services. Companies are now providing a broad range of m-commerce services. "Offline connect has become one of the significant domains adopted by mobile wallet players to democratize their platform. In addition to m-commerce, other e-wallet players have ventured into hyper local transactions, cash pick-up and microcredit facilities. Adapting business models to meet consumer needs, and to differentiate products from other alternatives, including the UPI, will be a continual challenge for the companies," says the report.

## **BUSINESS OVERVIEW**

### **MPS OPERATIONS & FUTURE OUTLOOK**

MPS is a company incorporated and domiciled in India and has its registered office in New Delhi. It has primarily listing on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). Your company is today, a mature and fast growing company committed to providing reliable and cost effective IT solutions to organizations globally. Emphasis on quality, world-class human resources and cutting edge solutions drive its commitments. With a successful track record of serving most demanding customers, MPS can bring you the benefits of working with a partner with software skills, networking expertise, project management experience and domain knowledge in every aspect of Information Technology. MPS is committed to achieve customer delight through cost effective and customer centric quality IT solutions that are innovative and continuously upgraded in keeping with emerging technology trends by a motivated workforce, on time, all the time ; resulting in maximizing stakeholder value. The company has ability and commitments to ensure customer satisfaction by rewarding quality work on right time and in a right manner.

### **THE COMPANY IS PRESENTLY ENGAGED IN THE FOLLOWING AREAS:**

#### **IT Solutions & Products, which comprise of:**

- System Integration and Networking Solutions (Including Hardware)
- Enterprise Software
- Trading of UID Kit

The entire business has three modes of execution of business i.e. Trading of Hardware and Peripherals; Establishing IT Infrastructure and Customization and up-gradation. The Company procures material from leading Dealers and Distributors of leading brands of IT and IT Infrastructure product manufacturers like HP, Samsung, LG, Lenovo, Dell, Acer, etc. Based on the orders, the company procures the goods from leading manufacturers and thereafter the same are supplied.

#### **IT Enabled Services comprising of:**

Your company is actively engaged in various IT enabled services like Domain registration, web hosting, value added services, site builder tool, site design, consulting services and infrastructure services. Following services are being provided by your company:

- Domain Registration & Web Hosting Services
- VAS & IT enabled Services
- Aadhaar Enrolment
- Printing of Election Cards
- SignDomains™ is India's first ICANN Accredited domain registrar which offers on-line domain registration of top level domains (TLD) including .com .net .org .info .biz .in etc. Catering to a global client base through its on-line presence and secure payment gateway. SignDomains™ has several corporates, large portals, resellers and end-users as its clientele.

The Company has tied up with various top level TLDs and offer these TLDs to our clients through its network of over 400 Re-sellers as well as directly by the Company.

- Visesh offers web-hosting solutions on VIL dedicated servers located at server farms and data centres located in US.
- Value added services like SMS, payment gateways, messaging, e-identity management, e-commerce are available for corporate clients and other businesses.

Telecommunication, through web portal [www.uvapoint.com](http://www.uvapoint.com) comprising of

- DTH, Postpaid, prepaid mobile recharge;
- Insurance;
- Ola Car booking

The Company is aggressively working on capitalizing on the ever-growing telecom enabled services market in India. It has firmed up plans to push UVA Point – a retail platform – to offer a host of telecom enabled services to customers ranging from prepaid mobile top-up, post-paid mobile bill payment, DTH recharge, landline bill payments, data-card recharge / payments bulk SMS, mobile application and software application. The company has tied up with ANI Technologies Pvt. Ltd. for booking of OLA cabs through our web portal [www.uvapoint.com](http://www.uvapoint.com). Now our customers who do have smart phones, can book a cab through our web portal [www.uvapoint.com](http://www.uvapoint.com). The company has also tied up with Easy Policy Easy policy is an insurance web aggregators licensed as such by IRDA. The tie-up with Easy Policy has enabled insurance market place at UVApoint. Now our retailers can show an interested customer different offers from several insurance providers and customer can choose the best one as per his choice which in turn enables our retailers and the company to generate additional income from insurance services. Effective training of retailers and customer care services will back this activity.

UVA Point is targeting to capture 1-2 percent of this market over the next couple of years, market of which is over Rs. 100K Crores and the business is highly achievable.

Your company's Infrastructure Services Division, designs, builds and manages IT infrastructure for its clients, through the effective deployment of hardware, software and networking products from world renowned manufacturers. The Company also provides wide range of Servers, Desktop and Notebook computers; data communication equipments and Wireless Connectivity products manufactured by renowned manufacturers.

Enterprise software or enterprise application software (EAS) is an application software used by organizations to conduct their line-of-business operations, such as planning, human resources, inventory/materials management, business intelligence, purchasing, manufacturing, finance& accounting, customer relationship management, marketing, sales & services etc. Enterprise applications are usually designed to integrate or interface with other enterprise applications used within the organization and are deployed in on-premise data centres or across a variety of networks by a specialized IT development team, meeting strict requirements for security and administrative management. These enterprise applications are

industry-specific solutions developed commonly as custom in-house applications which the information technology department integrates with other enterprise suites. The main objective of using an enterprise application software is to improve productivity and efficiency through business logic support functionality and gain a sustainable competitive advantage.

Some of the drawbacks are high licensing and support cost, flexibility and customization issues and difficulty in migration of existing data. Overlooking these issues, the benefits of using enterprise application software would actually aid an enterprise in information sharing, process automation, complete visibility of all important processes across various departments, reducing information technology complexity and increasing agility.

There is a growing need to capture, organize and exploit the use of big data which can give internal and external business processes a competitive edge. Enterprise mobility such as the Bring-Your-Own-Device (BYOD) trend to enhance employee flexibility in the organization across MEA has resulted in an increased uptake of enterprise platforms. Further, analytics and business intelligence have also become important factors driving enterprise planning, mainly when it comes to collecting and assessing unstructured data on enterprise networks, or business related information posted on social networking sites etc. Another driving factor in the enterprise software market is the shift towards cloud computing, where an enterprise moves some or its entire infrastructure to the cloud, reducing total cost ownership (TCO) infrastructure and provisioning time. These dominating factors are expected to drive the enterprise application software market in the MEA region, in the near future.

The enterprise application software market can be segmented based on: types, organizational size and verticals. Types of application software include digital content creation (DCC), web conferencing, enterprise resource planning (ERP), business intelligence (BI), enterprise content management (ECM), customer relationship management (CRM), supply chain management (SCM) and project & portfolio management (PPM) software. Categories by organizational size include small business, medium business, enterprises and large enterprises. Verticals include BFSI (banking, financial services and insurance), manufacturing, telecom, media & entertainment, transportation, healthcare, energy & utilities, retail, distribution and public sector.

According to a survey conducted by Spice Works, most companies across the globe will be keeping IT budgets steady, or giving them a boost over the next 12 months. In fact, close to half of companies (44%) expect budgets to increase while 43% anticipate no change at all. Only 11% expect to see their budgets decrease.

Companies that expect budgetary gains foresee a 19% jump in IT budgets, on average, which is mainly due to an ever-increasing dependence on technology in the workplace could.

As economic trends continue upward, company revenues are expected to chart the same course. In fact, corporate earnings to increase in the coming year hence it's likely, business will allocate a good portion of that loot toward new tech, which means 2018 could be a swashbuckling good time for tech marketers. As a result, companies will be staffing up their trusty crew of IT pros throughout the year ahead. In 2018, more IT departments will swell in size than shrink. The mega vessels (larger companies) forecast the biggest boost in staffing. More than 60% of companies with 500+ employees expect to increase IT staff while 70% of large enterprises (5000+) report they'll hire more IT pros in 2018.

Although hardware and software will be staking claim to the largest share of budget territory in 2018, hosted/cloud-based services are closing in, and quickly growing into a formidable force. Among spending categories, the highest percentage of businesses reported an increase in cloud budget as compared to 2017. More businesses also reported a decrease in hardware budgets in the last year.

But the spend isn't distributed evenly across all company sizes. For example, bigger fleets are more likely to report an increase in cloud spending than smaller companies. In fact, 66% of companies with 1,000-4,999 employees reported an increase in hosted/cloud budgets while 72% of companies with 5,000+

employees reported an increase.

Your Company has developed various enterprise applications and off the shelf software products, which were focused around the customer's business processes. The Company has domain knowledge of ERP, ERP Consulting and Client Server technologies. The in-house designed, developed and market accepted ERP solution of the Company, on client server technology with oracle/SQL Server at the back end, has wide application in large and medium scale organizations. The Company has plans to provide its ERP products on Cloud Servers and is working to provide the Software on Cloud, which will benefit small enterprises because of its cost efficiencies.

Your company is India's First ICANN Accredited domain registrar and operated through its brand name SignDomains™ and offers on-line domain registration of top level domains (TLD) including .com .net .org .info to name a few. Your Company has several corporates, large portals, resellers and end-users as its clientele. The Company has tied up with various top level TLDs and offer these TLDs to the clients through its network of Re-sellers as well as directly by the Company.

Your Company also offers web-hosting solutions on the Company's dedicated servers located in US. Value added services like SMS, payment gateways, messaging, e-identity management, e-commerce are available for corporate clients and other businesses.

MPS was registered with UIDAI as one of its enrolment agency for Aadhaar Card. However, due to technical issues and change in policy of appointment of Aadhaar Agency, your company could not meet the requirements hence the company's application for renewal had been kept pending by the Authority. Now that your company is able to meet the Policy requirements of Aadhaar Enrolment Agency, the company would again be applying for registration. Your company is hopeful that it would again get itself registered with UIDAI as an Enrolment Agency.

In the fiscal year 2017-18 the consolidated revenues decreased to Rs. 7776.73 lacs from Rs. 20328.15 lacs during the previous year, whereby registering decline in revenues by 61.74%. The consolidated Profit / (Loss) before interest, depreciation and tax (EBIDT) is at Rs. 483.13 lacs as compared to loss of Rs. 2.82 lacs suffered by the company during the previous year. The consolidated Profit / (Loss) after Tax (PAT) during the financial year under review was Rs. 250.74 lacs as compared to loss of Rs. 88.32 lacs.

During the financial year under review the company had earned profits after tax of Rs. 1680.20 lacs which is on account of sale of one of the properties of the company and reversal of Income tax along with interest charged in earlier years.

During the Financial year 2017-18 the standalone revenues declined to Rs. 7705.11 lacs from Rs. 18643.49 lacs during the previous year, whereby registering a decline in revenues by 58.67%. Though there has been an increase in profits after tax of Rs. 251.13 lacs as compared to a loss of Rs. 84.99 lacs suffered by the company during the previous year. The profits again is on account of sale of one of the company's property and reversal of income tax along with interest charges in earlier years.

## **SEGMENT WISE PERFORMANCE**

The company is mainly operating in three segments:

- ❖ Telecommunication.
- ❖ IT Solutions & Products.
- ❖ IT enabled Services.

The segment wise revenues and profits are tabulated hereunder:

Segment	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Segment Revenue				
IT Solutions & Products	196.55	591.68	196.55	591.68
IT enabled Services	50.14	112.38	50.14	112.38
Telecommunications	7530.05	19624.09	7458.43	17939.43
Total Revenues	7776.73	20328.15	7705.12	18643.49
Segment Results - Profit / (loss) before Interest and tax)				
IT Solutions & Products	(3.24)	(15.09)	(3.24)	(15.09)
IT enabled Services	4.13	10.25	4.13	10.25
Telecommunications	(186.79)	(123.99)	(186.41)	(115.21)
Total	(185.91)	(128.84)	(185.52)	(120.06)
Less: Interest	321.16	40.04	321.17	40.04
Less: Other un-allocable Expenditure net off.	179.36	126.56	179.36	126.57
Add: Un-allocable Income	685.87	145.74	685.87	140.03
Profit before Tax	(0.56)	(149.70)	(0.18)	(146.37)

There has been a sharp decline in the business of the company which is mainly attributable to stiff competition both from the organized sector and unorganized sector, low margins and long credit periods. The company is still to come out of the effects of de-monetization. All the segments in which the company is engaged are under performing and your Company is taking stern steps to increase its market share.

#### **INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

Your Company has a proper and adequate system of internal controls to ensure that its assets are safeguarded and protected against loss. We have an audit committee which oversees the financial and operating reporting processes and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.

The audit committee also reviews with management and statutory auditor the adequacy of internal control systems, compliance, etc. The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. The systems and the procedures are constantly upgraded to suit the requirements.

#### **HUMAN RESOURCE AND DEVELOPMENT**

The human resources strategy enabled the Company to attract, integrate, develop and retain the best talent required for driving business growth. The sustained strategic focused to enhance employee capability, improve efficiency and groom future leaders has helped MPS (earlier Visesh) maintain its position in the IT industry.

The Company has created a performance driven environment where innovation is encouraged, performance is recognized and employees are motivated to realize their potential. Our relentless pursuit to connect with employees on a regular basis, communicate in an open and transparent manner, provide opportunities to learn and grow within the organization are yielding desired results as is evident from the high retention rates and the motivation and engagement levels of our employees. The Company considers the quality of its human resources to be its most important asset and fosters an environment

that encourages and values diversity and promotes personal and professional development of employees.

Your company is privileged to have the right blend of professionals both in field of technical & other professional areas. Dedication, a positive attitude, skills and professionalism have always been the feature of our workforce at all levels of organization.

The computer has been called 'the machine that changed the world.' We believe that Information Technology has and will continue to revolutionize all aspects of human life. The Information Technology Sector in India has to take care of threats and should trap the bundle of opportunities into its basket in order to take maximum benefits of its Information Technology competitive advantage.

#### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing company objectives, projections, estimates may be 'forward looking statements' within the meaning of the applicable security laws and regulations. Actual results could differ materially from those expressed or implied, depending upon economic conditions, changes in Government regulations and policies, demand, supply and price conditions, political and economic developments within and outside the country and various incidental factors.

The company assumes no responsibility to publicly amend, modify, or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**Place : New Delhi**

**Date: 31st May, 2018**

**For and on behalf of the Board**

**MPS Infotecnics Ltd.**

**SD/-**

**Peeyush Aggarwal**

**Chairman & Managing Director**

**DIN No. 00090423**

## **REPORT ON CORPORATE GOVERNANCE**

### **THE COMPANY'S GOVERNANCE PHILOSOPHY**

“Corporate governance is not something that is put in place and then left. Ensuring its effectiveness depends on regular review, preferably regular independent review. And, in the end that comes down to the shareholders. Outside assessment and self-assessment need to be regular events.”

- Jim Jones.

#### **Your Company**

Our Corporate Governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices to ensure we gain and retain the trust of our stakeholders at all times.

MPS believes in continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. Your Company has, therefore, designed its systems and action plans to enhance performance and stakeholders' value in the long run.

To create a culture of good governance, your Company has adopted practices, that comprise of performance accountability, effective management control, fair representation of professionally qualified, executive, non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company. The Compliance Report on Corporate Governance herein signifies compliance of mandatory requirements of Corporate Governance as provided in Chapter IV of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of MPS ('the Company'). We believe that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance.

At MPS, the Board of Directors ('the Board') is at the core of our Corporate Governance practice. The Board oversees the Management's functions and protects the long-term interests not only of the Shareholders but all other stakeholders.

The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The organizational and governance structure enables an environment for value creation through sustainable and profitable growth.

The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibilities. The governance system encourages the entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

Your Company's commitment to the principles of transparency, integrity, professionalism and accountability in all its dealings is the foundation of its continuous efforts to create sustainable value for all its stakeholders including shareholders, customers, employees and the society at large. In line with this philosophy, your Company follows highest standards of Corporate Governance practices.

The Company continues to focus its resources, strengths and strategies to achieve its vision, of becoming truly Global IT Company, while consciously taking all such actions as may be necessary in order to achieve its goal of value creation, safety in all process and operations, good governance and maximization of shareholder's wealth.

Under the overall supervision and control of the Board, the Managing Director is accountable for the overall working of the Company. The Board gives strategic directions, lays down the policy guidelines and the Chief Executive Officer ensures the implementation of the decisions of the Board and its Committees.

As on 31st March, 2018, the Board comprised of 3 members, of which two members are independent directors including a woman director. An independent director is the chairperson of each of the Board committees, namely Audit Committee, Nomination & Remuneration Committee and Risk Management Committees.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 27 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges.

### **BOARD OF DIRECTORS (“BOARD”)**

The supreme executive authority controlling the management and affairs of a company vests in the team of directors of the company, collectively known as its Board of Directors. At the core of the corporate governance practice is the Board of Directors which oversees how the management serves and protects the long term interests of all the stakeholders of the Company. The Composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board periodically evaluates the need for change in its size and composition.

The position of board of directors is that of trust as the board is entrusted with the responsibility to act in the best interests of the company. The directors are the brain of a company. They occupy a pivotal position in the structure of the company. The Company is headed by the Chief executive Officer / Chairman & Managing Director, who looks after the day-to-day affairs of the Company. The Board of Directors reviews the overall business operations at least once in a quarter based on updates on the Company's performance provided by the Chief Executive Officer / Managing Director of the Company. Directors take the decision regarding the management of a company collectively in their meetings or at the meetings of their committees constituted for certain specific purposes.

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

The Board of Directors of the Company as on 31st March, 2018 comprised of three Directors of whom two are Independent Directors including a woman director and one is an Executive Director designated as Managing Director who is also a Promoter of the Company. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (“the Act”). The Chairman of the Board is an Executive Director designated as Managing Director.

All the Directors have made necessary disclosures regarding their directorship as required under Section 184 of the Act and on the Committee positions held by them in all the companies. None of the Directors on the Company's Board hold the office of director in more than 20 Companies, including maximum 10 public companies and none of the Directors of the Company are related to each other. In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders Relationship Committee). All Non-Executive Directors who are not Independent Directors, are liable to retire by rotation.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the Listing Regulations read with Section 149(6) of the Act. The maximum tenure of each Independent Director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

During the Financial Year 2017-18, information as mentioned in Schedule II Part A of the Listing Regulations



was been placed before the Board for consideration. The Board obtained necessary declarations from the functional heads confirming that all the applicable laws were complied with during the Financial Year under review.

In accordance with Section 149 read with Schedule IV to the Act and Regulation 25 (3) of the Listing Regulations, a meeting of the Independent Directors was held during the Financial Year 2017-18 without the attendance of the Non-Independent Directors and members of the management, wherein the Independent Directors inter alia reviewed –

- The performance of non-independent directors and the board of directors as a whole.
- Reviewed the performance of the Chairperson of the company taking into account the views of non-executive directors
- Assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors.

During the year Mr. Rahul Meena, Chief Executive Officer resigned with effect 12th July, 2017. Further the Board, upon the recommendation of the nomination and remuneration committee, unanimously appointed Mr. Peeyush Kumar Aggarwal as Managing Director of the Company with effect from 3rd January, 2018 for a period of three (3) years.

Mr. Peeyush Kumar Aggarwal has a very long association with the Company i.e. he had been as the Board for the past nearly 2 decades and he is also the promoter of the Company. Mr. Peeyush Aggarwal, aged 54 years, is a Fellow Member of the Institute of Chartered Accountants of India. He has extensive experience of over 29 years in the field of Finance and Taxation; Corporate Laws; Project Management; strategic business planning etc. He is first generation Entrepreneur having a clear business vision. His business interests today are in the areas of Information Technology; Telecom; VAS; Animation and Gaming; Digital Cinema; Pharma; Real Estate; Construction & Hospitality; Garment Exports; and Broking (Shares, Commodities, Insurance). Other details required to be disclosed in terms of the provisions of Secretarial Standard on General Meetings form part of the Notice.

### **Board Meetings / Directors' Particulars:**

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. The Board exercises its duties with care, skill and diligence, and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfillment. In compliance with Regulation 17 of the Listing Regulations and as required under the Companies Act, 2013, the Board meets at least once in each quarter and the gap between any two Board meetings was not more than 120 days. The Board meets at least once a quarter to review the quarterly results and other items on the Agenda, and also on the occasion of the AGM. Additional meetings are held when necessary. Committees of the Board usually meet the day on the date of Board Meeting, or whenever the need arises for transacting business. The Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with their responsibilities with us.

During the Financial Year 2017-18, nine meetings of the Board were held with a time gap of not more than one hundred and twenty days between any two consecutive meetings. These meetings were held on 30th May 2017, 12th July 2017, 9th August 2017, 29th August 2017, 14th September 2017, 10th November 2017, 14th December 2017, 3rd January 2018 and 14th February 2018.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure, compliance with applicable laws and regulations. It monitors overall performance of the Company. The Agenda for the

board meeting covers items set out as per the guidelines in Regulation 17 of Listing Regulations to the extent the same are applicable and relevant.

The meetings of the Board of Directors are scheduled well in advance and usually held in Delhi, where the Registered Office of the Company is situated. The Company Secretary draft the agenda for each meeting, along with explanatory notes, in consultation with CEO/Chairman and other department heads, and distribute these in advance to the directors. Every Board member can suggest the inclusion of additional items in the agenda. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

The draft minutes of the meeting approved by the Chairman is circulated to all the Directors within fifteen days after the conclusion of the meetings as set out in Secretarial Standards-I.

The Board of Directors has unrestricted access to all Company-related information, which inter alia includes –

1. Annual revenue and capital expenditure plans / budgets,
2. Quarterly financial results and results of operations of the Company,
3. Minutes of the meetings of the Board of Directors and Committees of the Board,
4. Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company and
5. Compliance or non-compliance of any regulatory, statutory nature or listing requirements and investors' service such as non-payment of dividend, delay in transfer of shares, etc.

The names, designation, categories of the Directors and their shareholdings in the Company as on 31st March, 2018 are as exhibited below:

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>	<b>Equity holding in the Company</b>
Mr. Peeyush Kumar Aggarwal – DIN 00090423	Managing Director and Chairman of the Board Meetings	Promoter & an Executive Director	78,67,50,193 Equity Shares
Mr. Manoj Kumar Jain – DIN 02573858	Director	Independent Director	82,500 Equity Shares
Mrs. Madhu Sharma – DIN 06947852	Director	Independent Director	Nil

Details of Directors' attendance during the Financial Year 2017-18 and at the last Annual General Meeting, number of Directorships in other Indian companies and Committee memberships/Chairmanship held by them in Indian public companies as on 31st March, 2018 are furnished below :

Name of the Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM held on 29th September 2017	No. Of Directorship held in listed companies including this company	No. of Committee Memberships/ Chairmanship held in Public companies including this company*	
					As Chairman	As Member
Mr. Peeyush Kumar Aggarwal	9	9	Yes	3	1	2
Mr. Manoj Kumar Jain	9	9	Yes	3	5	1
Mrs. Madhu Sharma	9	9	Yes	5	2	3

**Note:**

\*Includes only Committee Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee.

The necessary quorum was present at all the meetings.

**A. Independent Directors' Meeting**

The Independent Directors play an important role in the deliberations in Board Meetings and bring with them rich expertise in the field of Information Technology, e-commerce, marketing, accountancy, finance, HR and other laws.

In accordance with section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations a meeting of the Independent Directors was held on 30th May 2018, without the attendance of the Non-Independent Directors and members of the management to review the performance of the Non-Independent, Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole for the FY 2017-18 and to Assess the quality, quantity 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.

**B. Familiarization Programme**

All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under, as well as Regulation 25 of the Listing Regulations. The Independent Directors are also made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

**C. Board Evaluation**

In accordance with the requirement of the Companies Act, 2013 and pursuant to provisions of regulation 17 (10) of the Listing Regulations, an annual performance evaluation of the Board was undertaken. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees, and executive/non-executive/independent directors through a peer evaluation, excluding the director being evaluated.

The Board has evaluated the composition of Board, its committees, experience and expertise, performance of specific duties and obligations, governance matters. The Company has devised policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors. The overall assessment of the Board was that it was functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period. The Board also noted that the actions identified in the past questionnaire based evaluations had been acted upon.

## **COMMITTEES OF BOARD OF DIRECTORS**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Committees operate as empowered agents of the Board as per their terms of reference. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

The Board currently has the following Committees:

- A) Audit Committee,
- B) Nomination and Remuneration Committee,
- C) Stakeholders' Relationship Committee,
- D) Corporate Social Responsibility [CSR] Committee and
- E) Risk Management Committee

## **AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of the Listing Regulations read with Section 177 of the Companies Act, 2013. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditor, and notes the process. The Audit Committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors in accordance with law. All possible measures are taken by the Committee to ensure the objectivity and independence of the independent auditor. The committee is headed by an Independent Director. The Company Secretary acts as the secretary to the audit committee. The Annual General Meeting (AGM) of the Company held on 29th September, 2017 was attended by Mr. Manoj Kumar Jain, Chairman of the Audit Committee was present.

### **(a) Composition & Terms of Reference of Committee**

The Audit Committee comprises of. Mr. Manoj Kumar Jain as Chairman and Mr. Peeyush Kumar Aggarwal & Mrs. Madhu Sharma as members of the committee. The members of the Audit Committee are financially literate and have accounting or related financial management expertise.

As per Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, the Audit Committee has been entrusted with the following responsibilities:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of Statutory & Internal Auditor of the Company as well as Secretarial Auditor of the Company;
- Approving the payment to Statutory Auditors for any other services rendered by the Statutory Auditor
- Reviewing, with the management, the Annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:

- (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;

- (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of related party transactions;
  - (g) Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submissions to the board for approval;
  - Reviewing, with the management, the statement of use / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or a rights issue and making appropriate recommendations to the board to take steps in the matter;
  - Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
  - Approve any subsequent modifications of transactions of the company with related parties;
  - Scrutiny of Inter Corporate loans and investments;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staff and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up thereof;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - Discussion with statutory auditors before the Audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders, (in case of non-payment of declared dividend) and creditors;
  - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - To review the functioning of whistle blower mechanism.
  - Approval of appointment of Chief Financial Officer after assessing the qualification, experience and background, etc. of the candidate;
  - Carrying out any other function as is mentioned in the terms of reference of the audit committee
  - Oversee financial reporting controls and process for material subsidiaries;
  - Reviewing statement of significant related party transactions (as defined by the audit committee), submitted by management;

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

The Committee granted omnibus approval for the related party transactions proposed to be entered into by the Company at the beginning of the fiscal 2017. On a periodical basis, the committee reviewed and approved related party transactions.

**(b) Meeting of Audit Committee and attendance of members during the year**

The Committee meets at least once a quarter. As on March 31, 2018, Audit Committee of the Company comprises of the following:

S.No	Name of Member	Category	Number of meetings during the Financial Year 2017-18	
			Held	Attended
1	Mr. Manoj Kumar Jain	Chairman	5	5
2	Mr. Peeyush Aggarwal	Member	5	5
3	Mrs. Madhu Sharma	Member	5	5

During the Financial Year 2017-18 five meetings were held on 30th May 2017, 12th July 2017, 14th September 2017, 14th December 2017 and 14th February 2018. The time gap between two meetings did not exceed 120 days. The quorum was present for all the above five meetings.

The Company Secretary acts as the Secretary of the Committee.

**(c) Invitees at the Audit Committee Meetings:**

The representatives of the Statutory Auditors are regularly invited and have attended all the Audit Committee Meetings during the year. The Chief Executive Officer, the Chief Financial Officer are invited to attend and participate in these meetings as special invitees. The Company Secretary acts as the Secretary of the Committee.

The Company continues to drive benefit from the deliberations of the Audit Committee meetings as the members are experienced in the areas of Finance, Corporate Laws, Tax and industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

**(d) Subsidiary Companies**

The Company does not have any material non-listed Indian subsidiary Company however, your company has three (3) Foreign Subsidiaries namely Axis Convergence INC, Mauritius; Greenwire Network Limited, Hong Kong; and Opentech Thai Network Specialists Co. Limited, Thailand.

The Audit Committee of the Company reviews the financial statements of its Foreign Subsidiaries periodically. Significant issues pertaining to these foreign subsidiary companies are also discussed at Audit Committee Meetings. The Performance of all its subsidiaries is also reviewed by the Board periodically.

**NOMINATION AND REMUNERATION COMMITTEE:**

**(a) Constitution and Composition of the Committee**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations read with Section 178 of the Act. The terms of reference of the NRC are as per the guidelines set out in part D (A) of Schedule II of the Listing

Regulations which are as follows:

- Recommend to the board the set up and composition of the board and its committees including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”.
- Recommend to the board of directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
- Devising a policy on diversity of board of directors.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- Recommend to the Board of Directors their appointment and removal.
- On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- Oversee familiarization programs for directors.
- Recommend to the Board whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Nomination & Remuneration Committee met once on 3rd January, 2018.

The present composition of the committee and the attendance details of the members are given below:

<b>Name of the Member</b>	<b>Category</b>	<b>No. of meetings held during the Financial Year 2017-18</b>	<b>No. of meetings attended during the Financial Year 2017-18</b>
Mr. Manoj Kumar Jain	Chairman	1	1
Mrs. Madhu Sharma	Member	1	1
Mr. Peeyush Kumar Aggarwal	Member	1	1

The Company Secretary acts as the Secretary of the Committee.

### **(c) Remuneration policy**

Nomination and Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component). Annual increments are decided by the Nomination and Remuneration Committee (NRC) within the salary scale approved by the members of the Company.

In terms of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, this policy on Nomination and remuneration of Directors, Key Managerial Personnel (KMP), senior management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

The remuneration paid to Mr. Rahul Meena, Chief Executive Officer of the Company during the financial year under review was Rs. 2,26,667/-. Upon resignation by Mr. Rahul Meena, in June 2017, from his post of CEO, the Board in its meeting held on 3rd January 2018 had appointed Mr. Peeyush Kumar Aggarwal,

(DIN 00090423) as the Managing Director of the Company for a period of 3 years w.e.f. January 2018. Mr. Peeyush Kumar Aggarwal had agreed not to take any remuneration from the company for the time being.

**STAKEHOLDER' RELATIONSHIP COMMITTEE:**

The Stakeholder's Relationship Committee comprises Mr. Peeyush Kumar Aggarwal, Managing Director of the Company as the Committee's Chairman and Mr. Manoj Kumar Jain Independent Director as member of the Committee. The Company Secretary acts as Secretary to the Committee.

**The role of Stakeholder's Relationship Committee is as follows:**

- transfer/transmission of shares and such other securities as may be issued by the Company from time to time.
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Compliance Officer and/or other Officers of the Secretarial Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- To look into the redressal of shareholders complaints and enquiries and monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company.

Meetings of the Committee are held at regular interval with regard to the volume of transfer requests received by the Company. The Company Secretary being the Compliance Officer takes personal interest in all the matters of concern for investors and reports the same to the Committee. To expedite the process of share transfers, the Board has delegated the power of share transfer to Mass Services Pvt. Ltd. viz. Registrar and Share Transfer Agent who attend to the share transfer formalities.

The Committee also ensures that the shareholders / investors' grievances and correspondence are attended and resolved expeditiously.

**Meetings of Stakeholders Relationship Committee**

During the F.Y ending March 31, 2018, Stakeholder' Relationship Committee comprises of following members:

S. No.	Name of Member	Category	No. of meetings held during the Financial Year 2017-18	No. of meetings attended during the Financial Year 2017-18
1	Mr. Peeyush Kumar Aggarwal	Chairman	4	4
2	Mr. Manoj Kumar Jain	Member	4	4



The Committee meets on a need basis to ensure the regular process of transfers / transmission of shares, split, Consolidation, demat / remat and issuance of duplicate share certificate

During the financial year 2017-18 four meetings were held on 3rd July 2017, 7th August 2017, 9th March 2018 and 23rd March 2018.

The Company Secretary acts as Secretary to the Committee.

#### **Details of Shareholders' complaints**

There were no complaints pending at the beginning of the year under review. Your Company didn't receive any complaints during the year and there were no complaints which were pending at the end of the year under review.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The CSR Committee was constituted in accordance with the requirements of the statutes.

The Corporate Social Responsibility Committee comprises Mr. Peeyush Kumar Aggarwal as the Chairman and Mr. Manoj Kumar Jain & Mrs. Madhu Sharma as the members of the Committee.

The Role of Corporate Social Responsibility Committee is as follows:

- Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- Reviewing the performance of Company in the area of CSR;
- Providing external and independent oversight and guidance on the environment and social impact of how the Company conducts its business;
- Monitoring CSR Policy of the Company from time to time;

No contribution had been made by the company as your company has suffered loss during the past financial years.

#### **Meeting of CSR Committee and attendance of members during the year**

No meeting was held during the Year under review.

The company Secretary acts as the Secretary to the Committee.

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2018 forms part of the Boards Report.

#### **RISK MANAGEMENT COMMITTEE**

As on 31st March, 2018, the Risk Management Committee of the Company comprises of Mr. Manoj Kumar Jain as the Chairman and Mr. Peeyush Kumar Aggarwal & Mrs. Madhu Sharma as members of the Committee.

The role of Risk Management Committee is to:

- Oversee the implementation of Risk Management Systems and framework;
- Review the Company's financial and risk management policies;
- Assess risk and procedures to minimise the same;
- Frame, implementing and monitoring the risk management plan for the Company.

## GENERAL BODY MEETING

Details of the last three Annual General Meeting and Extra-Ordinary General Meeting of the Company are as follows:

Date	Location	Time	No. of Special Resolution passed
29.09.2017	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	11:30	0
10.10.2016	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001-Meeting through Postal Ballot	Postal Ballot	1 passed through Postal Ballot
30.09.2016	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	10:00 A.M.	0
30.09.2015	703, Arunachal Building, 19 Barakhamba Road, New Delhi-110001	10:00 A.M.	0

## AFFIRMATION AND DISCLOSURE

All the members of the Board have affirmed their compliance with the Code of Conduct as on 31st March, 2018 and a declaration to that effect, signed by the Chairman and Chief Financial Officer (CEO), is attached and forms part of the Board Report.

There are no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large. Suitable disclosure as required by accounting standard (AS – 18) – Related party transaction has been made in Annual Report. All the Related party transaction is dealt with in accordance with the provisions of Companies Act, 2013 & Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Details of non-compliance

No penalty has been imposed by any stock exchange, SEBI nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

The Company in the past had increased the Authorized Share Capital, however due to technical difficulties; the prescribed forms could not be filed. The Companies Act, 2013 which came into effect from 1st April, 2014 wherein schedule fee applicable w.r.t. increase in Authorized Capital has been revised and increased. The schedule of fee as per Companies Act, 2013 has been made applicable and payable on the increased prior to the applicability of the Companies Act, 2013, hence on the advice of senior Advocate/ Professionals the Company has filed a Writ petition before the Hon'ble Delhi High Court bearing WP (C) No 5199 of 2015 challenging the applicability of provisions prescribed under para 3 of Table B under registration of Offices and Fee Rules 2014, which is pending adjudication.

### Auditors Certificate on Corporate Governance

The Company has complied with all the mandatory- requirements of Corporate Governance, as required under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Further, as required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance forms part of this Report.

The Company has complied with the requirements specified in regulations 17 to 27 and regulation 46 of the Listing Regulations, 2015.

**Disclosure on Website**

The following documents/information is linked with the website of the Company, i.e, www.mpsinfotec.com :-

Particulars	Web Link
Familiarization programs for independent directors	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy for determining 'material subsidiaries'	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy on dealing with related party transactions	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
CSR Policy	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Code of conduct for Directors and Senior Management	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Whistle Blower Policy/Vigil Mechanism	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy for preservation and archival of documents	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy on determination of materiality of events or information	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Nomination and Remuneration Policy	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Succession plan for appointment to the Board and senior management	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Code of conduct for Insider Trading	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>
Policy on Risk Management	<a href="http://www.mpsinfotec.com/investors_zone.html">http://www.mpsinfotec.com/investors_zone.html</a>

**MEANS OF COMMUNICATION**

All important information relating to the Company, its financial performance, shareholding pattern, quarterly results, other information as per the Listing Regulations are regularly posted on Company's website. The quarterly, half-yearly and annual financial results of the Company are published in one prominent widely circulated English newspaper and one in daily Hindi Newspaper viz. The Business Standard (English) & (Hindi). These results are also made available on the websites of the Company, BSE Limited and National Stock Exchange of India Limited. The Annual Report, Quarterly Results, Shareholding Pattern, Intimation of Board Meetings and other relevant information of the Company are posted through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals for investor information.

As per Regulation 47 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published in the newspapers. The full format of the Quarterly/Annual Financial Results is also available on the Company's website and Stock Exchange websites www.nseindia.com and www.bseindia.com.

The notice of AGM along with Annual Report is sent to the shareholders well in advance of the AGM which is also published in newspapers. In addition, the Stock Exchange is notified of any important developments that may materially affect the working of the Company. Annual report of the Company is circulated to all the members and all others entitled thereto.

**“GO GREEN” INITIATIVE**

As a continuing endeavor towards the “Go Green” initiative, the Company has sent various notices/ documents/Annual reports to the shareholders through electronic modes at their e-mail id's registered with the Depository Participants. The shareholders, who have so far opted for it, are being provided these documents in electronic mode and further, the copy of such documents is also be available on the website of the Company i.e. www.mpsinfotec.com.

You are also entitled to be furnished, a physical copy of the above documents of the Company on demand. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

### CEO AND CFO CERTIFICATION

As required by the Listing Regulations, the CEO and CFO certification is provided in this Annual Report.

### CODE OF CONDUCT

In compliance with Regulation 26(3) of the Listing Regulations and the Companies Act, 2013 the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). All members of the Board, the executive officers and senior officers have affirmed compliance to the code as on 31st March, 2018.

A declaration to the effect, signed by the Chairman and CEO, forms part of the CEO and CFO Certification.

### GENERAL SHAREHOLDER'S INFORMATION

a)	Registered Office	:	703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001
b)	Annual General Meeting	:	<ul style="list-style-type: none"> <li>• Date</li> <li>• Day</li> <li>• Time</li> <li>• Venue</li> <li>• Posting of Annual Report</li> <li>• Last date of receipt of Proxy Form</li> </ul>
c)	Financial Year	:	1st April to 31st March
	Financial Year	:	1st April 2017 to 31st March 2018
	Financial year for the period under review	:	1st April 2017 to 30th June 2017
	First Quarter	:	1st July 2017 to 30th September 2017
	Second Quarter	:	1st October 2017 to 31st December 2018
	Third Quarter	:	1st January 2018 to 31st March 2018
	Fourth Quarter	:	
d)	Date of Book Closure	:	The Register of members and share transfer Books of the Company shall remain closed from 23rd September 2018 to 29th September 2018 (both days inclusive)

e)	Registrar & Share Transfer Agents (RTA)	:	Address & Contact Details T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel no. : 011-26387281-83 Fax : 011- 26387384 e-Mail : info@massserv.com
f)	Listing of Shares	:	Shares are listed on following Stock Exchanges: 1) National Stock Exchange of India Ltd. Address: Exchange Plaza, Bandra, Kurla Complex, Bandra(E) Mumbai-400051 Stock Code: VISESHINFO 2) Bombay Stock Exchange Limited Address: Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001 Stock Code: 532411
<b>WITH EFFECT FROM 28TH AUGUST, 2000 THE SHARES OF MPS INFOTECNICS LIMITED ARE TRADED IN DE-MAT FORM ONLY:</b>			
g)	ISIN Code	:	INE861A01058
h)	Investor service cell & address for correspondence Address  Telephone No Fax E-mail	:	703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001 +91 11 43571044 +91 11 43571047 info@mpsinfotec.com
i)	Compliance Officer	:	Miss. Garima Singh Company Secretary & Compliance Officer

Pursuant to SEBI Circular bearing no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has directed all the listed companies, RTA and the Dividend / Interest / redemption processing Bankers to obtain the bank and/or PAN details of all its shareholders and/or its Debenture holders. Necessary communication in this regard has already sent by your company. Stakeholders who have not provided their PAN and BANK details are advised to provide their PAN and bank details

Further Since the Company's shares are compulsorily traded in demat form, to ensure better service and eliminating risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest. Attention of those Shareholders, who are holding shares in Demat Form, is invited to SEBI Notification bearing No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 available on the SEBI's website, www.sebi.gov.in whereby the shareholders holding shares in physical mode, shall not be able to transfer / transmit / transpose their shares in physical form from 5th December 2018.

**j) STOCK MARKET DATA**

The monthly high and low quotations and volume of shares traded at National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) are as follows:

Financial Year April 2017 to March 2018	National Stock Exchange			Bombay Stock Exchange		
	High	Low	No. of shares traded	High	Low	No. of shares traded
April, 2017	0.20	0.10	4209252	0.20	0.15	60672052
May, 2017	0.15	0.10	2684242	0.20	0.13	88662567
June, 2017	0.15	0.10	714789	0.15	0.12	42065837
July, 2017	0.15	0.10	1581076	0.14	0.11	53523599
August, 2017	0.15	0.10	882769	0.13	0.13	4533959
September, 2017	0.10	0.05	16165522	0	0	0
October, 2017	0.05	0.05	3790518	0.13	0.13	25011
November, 2017	0.05	0.05	1725900	0.13	0.13	10
December, 2017	0.05	0.05	22966048	0.13	0.13	100001
January, 2018	0.35	0.25	42005629	0.23	0.13	80052323
February, 2018	0.25	0.20	8551310	0.24	0.22	34383856
March, 2018	0.20	0.10	3706646	0.23	0.23	510807

**k) Dematerialization of Shares**

Pursuant to an agreement with the NSDL and CDSL, the shareholders have the option to dematerialize their shares with either of the depositories. Equity shares of the Company are actively traded at National Stock Exchange & Bombay Stock Exchange.

**l) Status of issued capital as on 31st March, 2018:**

Total Issued Capital	No. of Shareholders	No. of Shares	% to total shareholding
NSDL (Demat Form)	19574	1554964567	41.19
CDSL (Demat Form)	15098	2210566402	58.57
Physical Form	2037	8905686	0.24
<b>TOTAL</b>	<b>36709</b>	<b>3,77,44,36,655</b>	<b>100</b>

**m) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2018:**

Shareholding of Nominal Value of (₹)	No. of shareholders	% to total no. of shareholders	Amount in (₹)	% to total shareholding
Upto 5000	18819	51.81	32117644	0.85
5,001-10,000	5133	14.13	42302084	1.12
10,001-20,000	3504	9.65	53863317	1.43
20,001-30,000	1807	4.97	46470038	1.23

30,001-40,000	837	2.30	30423855	0.81
40,001-50,000	1340	3.69	65084864	1.72
50,001-1,00,000	2276	6.27	187437894	4.97
1,00,001 and above	2608	7.18	3316736959	87.87
<b>TOTAL</b>	<b>36324</b>	<b>100.00</b>	<b>3774436655</b>	<b>100.00</b>

**n) SHAREHOLDING PATTERN AS ON 31ST MARCH 2018:**

<b>Category</b>	<b>No. of Shares</b>	<b>% of total</b>
A. Promoters	1434074003	37.99
B. Non-Promoter holding		
i. Banks, Mutual Funds, Insurance Companies, Foreign Institutional Investors (central/state govt. institution/non govt. institutions)	46750	0.00%
ii. Private corporate bodies	314046240	8.32
iii. Indian public	1560579899	41.35
iv. NRI's / OCB's	82926815	2.20
v. Foreign Investor	-	-
vi. Clearing member	382762948	10.14
<b>TOTAL</b>	<b>3774436655</b>	<b>100</b>

**o) ADDITIONAL INFORMATION**

**i. Investor Relations Section**

The Investors Relations Section is located at the Registered Office of the Company.

**Contact Person** : Ms. Garima Singh  
Compliance Officer

**Time** : 10:00 AM to 6:00 PM  
On all working days of the Company (except Sundays)

**Telephone** : 011-43571043-44

**Fax** : 011-43571047

**Email** : info@mpsinfotec.com

**ii. Auditors**

**M/s. RMA & Associates LLP.**

Chartered Accountants

75, Patparganj Ind. Area, Delhi 110092

Ph.No. +91 11 45621214

Email: ca.jamit@gmail.com

FRN: 000978N/ N500062

**iii. Declaration by Independent Directors under sub-section (6) of section 149 & Regulation 16 (1) (b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

During FY18, the Company received declaration in terms of the provisions of Section 149 (6).

**DISCLOSURE OF ACCOUNTING TREATMENT**

During the year under review, the Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs. The financial statements for the financial year 2017-18 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies to the extent applicable. The company has for the first time adopted Ind AS w.e.f. April 01, 2017 with a transition date of April 1, 2016.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101. First-time Adoption of Indian Accounting Standards has been applied.

**Declaration Affirming Compliance of provisions of the code of conduct**

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board Members and the Senior Management have duly complied with the provisions of the code of conduct for Directors and Senior Management Personnel during the Financial Year ended March 31, 2018.

**Declaration Affirming Compliance of Whistle Blower Policy**

To the best of my knowledge and belief, I hereby affirm that no personnel of the Company had/have been denied access to the Audit committee during FY18.

**For and on behalf of the Board**

**MPS Infotecncs Ltd.**

**SD/-**

**Peeyush Aggarwal**

**Chairman & Managing Director**

**DIN No. 00090423**

**Place : New Delhi**

**Date: 31st May, 2018**



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of MPS Infotecnics Ltd.

We have examined the compliance of conditions of Corporate Governance by MPS Infotecnics Ltd. for the financial year ended 31st March, 2018, as stipulated under Regulation 17 to 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our Examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that as per the report given by the Registrar and Transfer Agent of the Company to the Stakeholder' Relationship Committee, as on March 31, 2018, there were no investor grievance matters against the Company remaining unattended / pending for more than 15 days.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RMA & Associates**

**Chartered Accountants**

**Firm Registration No.000978N/N500062**

**Amit Jain**

**Partner**

**Membership Number - 503109**

**Place: New Delhi**

**Date: 31st May, 2018**

**Confirmation of Compliance of Code of Conduct and Ethics**

I declare that all Board Members and Senior Management have individually affirmed compliance with the code of business conduct and ethics adopted by the company during the year 2017-18. The Code of conduct is available on the Company's website i.e. [www.mpsinfotec.com](http://www.mpsinfotec.com).

**For and on behalf of theFor and on behalf of the Board  
MPS Infotecnics Ltd.**

**Place : New Delhi**

**Date: 31st May, 2018**

**SD/-**

**Peeyush Aggarwal**

**Chairman & Managing Director**

**DIN No. 00090423**

## **CEO & CFO Certification**

To The Board of Directors  
MPS Infotecnics Limited  
New Delhi

We, Peeyush Kumar Aggarwal, Managing Director & CEO and Sannjay Shama, CFO of MPS Infotecnics Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2018 and:
  - (i) These Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- (b) There is, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2018, which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and Audit Committee that for the year ended 31st March, 2018, there were:
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) No instances of significant fraud of which we have become aware and there has been no involvement therein of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

**Peeyush Kumar Aggarwal**  
**Chairman & Managing Director**

**Sanjay Sharma**  
**Chief Financial Officer**

**Place: New Delhi**

**Date: 31st May, 2018**

## **NOMINATION & REMUNERATION POLICY**

### **1. Introduction**

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 24 May 2014 changed the nomenclature of the “Remuneration Committee” as “Nomination and Remuneration Committee” and reconstituted the Committee, initially with two non-executive Independent Directors and one Executive Director (i.e. Chairperson of the Company) as Member of the Committee.

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 the listing agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### **2. Objective and purpose of the policy**

The objectives and purpose of this policy are:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Managing Director and/or Chief Executive Officer (“CEO”), evaluating the CEO's performance in light of those goals and objectives, and either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and making recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to board approval;
- 2.2 The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.
- 2.3 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.4 To devise a policy on Board diversity; and
- 2.5 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

### **Definitions**

- “Board” means Board of Directors of the Company.
- “Directors” means Directors of the Company.
- “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.
- “Company” means MPS Infotecnics Limited.
- “Independent Director” means a Director referred to in Section 149(6) of the Companies Act, 2013

and rules.

- “Key Managerial Personnel (KMP)” means-
- (i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
  - (ii) the Company Secretary; and
  - (iii) the Chief Financial Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **General**

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

### **Part – A**

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee The following matters shall be dealt by the Committee:-

#### **(a) Size and composition of the Board:**

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole and ensure compliance of various provision of applicable laws and listing agreement;

#### **(b) Directors:**

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

#### **(c) Succession plans:**

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

#### **(d) Evaluation of performance:**

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

**(e) Remuneration framework and policies:**

The Committee is responsible for reviewing and making recommendations to the Board on:

- (I) the remuneration of the Managing Director, Whole-time Directors and KMPs
- (II) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- (III) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to
- (IV) attract and motivate talent to pursue the Company's long term growth;
- (V) demonstrate a clear relationship between executive compensation and performance; and
- (VI) be reasonable and fair, having regard to best governance practices and legal requirements.
- (VII) The Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- (VIII) the Company's remuneration reporting in the financial statements.

**PART – B**

**Policy for appointment and removal of Director, KMPs and Senior Management**

**I. Appointment criteria and qualifications**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years and shall not appoint Independent Director who is below age of 21 years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond Seventy years as the case may be.
5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

**II. Term / Tenure**

**1. Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

## **2. Independent Director**

- (A) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- (B) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- (C) At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

## **III. Retirement**

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company with the approval of shareholders by passing a special resolution at the general meeting of the Company.

## **PART – C**

Policy relating to the remuneration for Directors, KMPs and other employees

### **A. General**

- 1. The remuneration / compensation / commission etc. to Directors will be determined / by the Committee and recommended to the Board for approval.
- 2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of Chapter XIII of the Companies Act, 2013 read with schedule V, and the rules made thereunder.
- 3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
- 4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **B. Remuneration to KMPs and other employees**

The policy on remuneration for KMPs and other employees is as below:-

#### **1. Fixed pay**

The remuneration and reward structure for employees comprises two broad components – annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

## **a) Annual remuneration**

Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Employee is required to determine his/her key result areas for that particular defined role. The performance-linked variable pay will be directly linked to the performance on individual components of the performance and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group globally, established through independent compensation surveys, from time to time.

## **b) Long-term rewards**

Long-term rewards may be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organization, and length of service under the supervision and approval of the Committee.

The grant, vesting and other scheme details would be formulated from time to time.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

## **2. Minimum remuneration to Managing Director/ Chief Executive officer**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

## **C. Remuneration to Non-Executive / Independent Directors**

### **1. Remuneration**

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### **2. Stock options**

The Independent Directors shall not be entitled to any stock option of the Company.

### **Policy review**

This policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of the Regulation 19 of the Listing Regulations, 2015, as amended, and the Listing Agreement with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

## **POLICY ON BOARD DIVERSITY**

### **1. Purpose of this policy:**

This policy on Board Diversity (the "Policy") sets out the Company's approach to ensuring adequate diversity in its Board of Directors (the "Board") and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board.

### **2. Scope of Application:**

The Policy applies to the Board of MPS Infotecnics Limited (the "Company").

### **3. Policy Statement:**

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. It is recognized that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

### **4. Review of the Policy:**

The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with revised applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.



<b>FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2018</b>		
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>		
I	REGISTRATION & OTHER DETAILS:	
i	CIN	L30007DL1989PLC311190
ii	Registration Date	20/01/1989
iii	Name of the Company	MPS Infotecncs Limited (Formerly Vishesh Infotecncs Ltd.)
v	"Address of the Registered office & contact details"	"703, Arunachal Building 19 Barakhamba Road Connaught Place, New Delhi-110001"
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Mass Services Limited T-34, II Floor Okhla Industrial Area, Phase, New Delhi-110020 Ph. No.: +91-11-26387281 82 83 Email Id: info@masserv.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	"NIC Code of the Product /service"	"% to total turnover of the company"
1	IT Solutions & Products	99831327	2.55%
2	IT Enabled Services	99831326	0.65%
3	Telecommunication	99849330	96.80%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	"HOLDING/ SUBSIDIARY/ ASSOCIATE"	"% OF SHARES HELD"	"APPLICABLE SECTION"
1	Axis Convergence Inc, Mauritius Level 2, Max city Building, Remy Oilier Street, Port Louis, Mauritius	Not Applicable	Subsidiary	100	2(87)
2	Green wire Network Ltd., Hong Kong Block A, 15/F Hillier Commercial Building, 65-67 Bonham Strand East, Sheung Wan, Hong Kong.	Not Applicable	Subsidiary	100	2(87)
3	Open tech Thai Network Specialists Co. Ltd. Thailand 8/5 Soi Sukhumvit 28 ( Bannasam, Sukhumvit Rd., Klongton, Kolngtoey, Bangkok, Thailand	Not Applicable	Subsidiary	99.99	2(87)

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(1) Indian</b>									
a) Individual/HUF	862,511,967	-	862,511,967	22.85%	862,511,967	-	862,511,967	22.85%	0.00%
"b) Central Govt. or State Govt."									
c) Bodies Corporates	881,562,036	-	881,562,036	23.36%	571,562,036	-	571,562,036	15.14%	-8.21%
d) Bank/FI	-	-	-				-		
e) Any other	-	-	-				-		
<b>SUB TOTAL:(A) (1)</b>	<b>1,744,074,003</b>	<b>-</b>	<b>1,744,074,003</b>	<b>46.21%</b>	<b>1,434,074,003</b>	<b>-</b>	<b>1,434,074,003</b>	<b>37.99%</b>	<b>-8.21%</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other...	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>"Total Shareholding of Promoter (A)= (A)(1)+(A)(2)"</b>	<b>1,744,074,003</b>	<b>-</b>	<b>1,744,074,003</b>	<b>46.21%</b>	<b>1,434,074,003</b>	<b>-</b>	<b>1,434,074,003</b>	<b>37.99%</b>	<b>-8.21%</b>
<b>B. PUBLIC SHARE-HOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks/FI	46,750	-	46,750	0.00%	46,750	-	46,750	0.00%	0.00%
C) Central govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIS	-	-	-	0.00%	-	-	-	0.00%	0.00%
"h) Foreign Venture Capital Funds"	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%

<b>SUB TOTAL (B)(1):</b>	<b>46,750</b>	<b>-</b>	<b>46,750</b>	<b>0.00%</b>	<b>46,750</b>	<b>-</b>	<b>46,750</b>	<b>0.00%</b>	<b>0.00%</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies corpo- rates</b>									
i) Indian	287,816,905	5,620,450	293,437,355	7.77%	308,425,790	5,620,450	314,046,240	8.32%	0.55%
ii) Overseas	128,161	-	128,161	0.00%	128,161	-	128,161	0.00%	0.00%
<b>b) Individuals</b>									
i) Individual shareholders hold- ing nominal share capital upto Rs.1 lakhs	351,178,833	3,158,736	354,337,569	9.39%	440,734,186	3,146,636	443,880,822	11.76%	2.37%
ii) Individuals shareholders hold- ing nominal share capital in excess of Rs. 1 lakhs	1,276,697,792	-	1,276,697,792	33.82%	1,454,532,235	-	1,454,532,235	38.54%	4.71%
<b>c) Others (specify)</b>									
i) Clearing Member	30,340,275	-	30,340,275	0.80%	41,762,948	-	41,762,948	1.11%	0.30%
ii) Directors & their relatives	3,165,517	-	3,165,517	0.08%	3,165,517	-	3,165,517	0.08%	0.00%
iii) Employees	1,185	-	1,185	0.00%	1,175		1,175	0.00%	0.00%
iv) Non Resident Indians	72,068,198	138,600	72,206,798	1.91%	82,660,054	138,600	82,798,654	2.19%	0.28%
v) Trust	150	-	150	0.00%	150		150	0.00%	0.00%
NBFC's Registered with RBI	1,100	-	1,100	0.00%	-		-	0.00%	0.00%
<b>SUB TOTAL (B)(2):</b>	<b>2,021,398,116</b>	<b>8,917,786</b>	<b>2,030,315,902</b>	<b>53.79%</b>	<b>2,331,410,216</b>	<b>8,905,686</b>	<b>2,340,315,902</b>	<b>62.00%</b>	<b>8.21%</b>
<b>"Total Public Shareholding (B)= (B)(1)+(B)(2)"</b>	<b>2,021,444,866</b>	<b>8,917,786</b>	<b>2,030,362,652</b>	<b>53.79%</b>	<b>2,331,456,966</b>	<b>8,905,686</b>	<b>2,340,362,652</b>	<b>62.01%</b>	<b>8.21%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
i) Public	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>3,765,518,869</b>	<b>8,917,786</b>	<b>3,774,436,655</b>	<b>100.00%</b>	<b>3,765,530,969</b>	<b>8,905,686</b>	<b>3,774,436,655</b>	<b>100.00%</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>3,529,619,269</b>	<b>244,880,586</b>	<b>3,774,436,655</b>	<b>100.00</b>	<b>3,765,518,869</b>	<b>8,917,786</b>	<b>3,774,436,655</b>	<b>100</b>	<b>-</b>

**SHARE HOLDING OF PROMOTERS**

SI No.	Shareholders Name	"Shareholding at the beginning of the year 01.04.2017"			"Shareholding at the end of the year 31.03.2018"		
		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	Peeyush Kumar Aggarwal	786750193	20.84%	18.89%	786750193	20.84%	18.89%
2	Seema Aggarwal	75761774	2.01%	2.01%	75761774	2.01%	2.01%
5	Om kam Global Capital Pvt Ltd	298562036	7.91%	7.91%	138562036	3.67%	3.67%
6	Om kam Securities Pvt Ltd	242000000	6.41%	6.41%	92000000	2.44%	2.44%
7	Om kam Capital Markets Pvt Ltd	341000000	9.03%	0	341000000	9.03%	0.00%
	<b>Total</b>	1744074003	46.21%	35.22%	1434074003	37.99%	27.01%

**CHANGE IN PROMOTERS' SHAREHOLDING (Please specify, if there is no change)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	1744074003	46.21%	1434074003	37.99%

Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)\*

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

S.No	Name of the Promoter	Share holding at the beginning of the Year i.e. 01-04-2017		Date wise Increase / Decrease			Cumulative Shareholding during the year 2017-18	
		No. of Shares	% of total shares of the company	Date	Increase / (Decrease)	%age of total share capital	No of shares	% of total shares of the company
1	Agrata Real Estate Pvt. Ltd.	45500000	1.21%	31-Mar-18	-	0.00%	45500000	1.21%
2	Parkway Properties Pvt. Ltd.	29839933	0.79%	26-Jan-18	-29839933	-0.79%	-	0.00%
3	Pataliputra International Limited	50000000	1.32%	31-Mar-18	-	0.00%	50000000	1.32%
4	Deipakk Bawa	85200000	2.26%	31-Mar-18	-	0.00%	85200000	2.26%
5	Vidhyasagar Mahavirprasad Sah	36045177	0.95%	31-Mar-18	-	0.00%	36045177	0.95%
6	Vipin Garg	33008921	0.87%	31-Mar-18	-	0.00%	33008921	0.87%
7	Gazala Constructions Pvt. Ltd.	50000000	1.32%	19-Jan-18	-50000000	-1.32%	0	0.00%
8	Rajesh Gupta	22518525	0.60%	31-Mar-18	0	0.00%	22518525	0.60%
9	Aditya Vikram Agarwal (HUF)	20000000	0.53%	31-Mar-18	0	0.00%	20000000	0.53%
10	Sanjiv Bhavnani	15343900	0.41%	31-Mar-18	0	0.00%	15343900	0.41%

11	Globe Fincap Limited	-	0.00%	28-Apr-17	24155976	0.64%	24155976	0.64%
				12-May-17	-2151701	-0.06%	22004275	0.58%
				19-May-17	85763189	2.27%	107767464	2.86%
				26-May-17	-12851707	-0.34%	94915757	2.51%
				30-Jun-17	-13000000	-0.34%	81915757	2.17%
				07-Jul-17	-3859182	-0.10%	78056575	2.07%
				14-Jul-17	-12445000	-0.33%	65611575	1.74%
				21-Jul-17	-5000000	-0.13%	60611575	1.61%
				28-Jul-17	-19700001	-0.52%	40911574	1.08%
				19-Jan-18	-19994305	-0.53%	20917269	0.55%
				02-Mar-18	-7515000	-0.20%	13402269	0.36%
				23-Mar-18	145500000	3.85%	145673445	3.86%
12	BP Equities Pvt. Ltd.	0	0.00%	08-Dec-17	21497948	0.57%	21497948	0.57%
				19-Jan-18	-21466457	-0.57%	31491	0.00%
				26-Jan-18	7637699	0.20%	7669190	0.20%
				02-Feb-18	8790895	0.23%	16460085	0.44%
				09-Feb-18	-2961523	-0.08%	13498562	0.36%
				16-Feb-18	-2588284	-0.07%	10910278	0.29%
				23-Feb-18	2466526	0.07%	13376804	0.35%
				02-Mar-18	-4888840	-0.13%	8487964	0.22%
				09-Mar-18	3403657	0.09%	11891621	0.32%
				16-Mar-18	9371027	0.25%	21262648	0.56%
				23-Mar-18	-21252648	-0.56%	10000	0.00%
				31-Mar-18	-10000	0.00%	0	0.00%
13	Mehta Equities Limited	0	0.00%	26-Jan-18	35482500	0.94%	35482500	0.94%
				02-Feb-18	-35482500	-0.94%	0	0.00%
14	Sachin Gupta	0	0.00%	26-Jan-18	13894182	0.37%	13,894,182.00	0.37%
15	Pratheepa Kumar Shetty	0	0.00%	09-Feb-18	13894182	0.37%	13,894,182.00	0.37%
16	Sharekhan Limited	0	0.00%	09-Mar-18	18699208	0.50%	18,699,208.00	0.50%
				16-Mar-18	-18643969	-0.49%	55,239.00	0.00%
				23-Mar-18	80376	0.00%	135,615.00	0.00%
				31-Mar-18	-17100	0.00%	118,515.00	0.00%
17	BP Fintrade Pvt. Ltd.	0	0.00%	23-Mar-18	18219672	0.48%	18,219,672.00	0.48%
				31-Mar-18	11	0.00%	18,219,683.00	0.48%

\* Changes in the holding as per the beneficiary position downloaded from the Benpos data provided by the Registrar & Transfer Agent

**(v) Shareholding of Directors & KMP**

Sl. No	Folio/Beneficiary Account No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year
					No of shares	% of total shares of the company	No of shares
1	12020600-00800415	Peeyush Kumar Aggarwal	01-Apr-17	At the beginning of the year	786,750,193	20.84%	78,67,50,193
			31-Mar-18	At the end of the year	786,750,193	20.84%	
2	IN301436-10630017	Sanjay Sharma	01-Apr-17	At the beginning of the year	1,100	0.00%	1100
			31-Mar-18	At the end of the year	1,100	0.00%	
3	IN300239-10205350	Manoj Kumar jain	01-Apr-17	At the beginning of the year	82,500	0.00%	82500
			31-Mar-18	At the end of the year	82,500	0.00%	

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment			
	Secured Loans excluding deposits	"Unsecured Loans"	Deposits
<b>Indebtness at the beginning of the financial year</b>			
i) Principal Amount	58255578	177656041	NIL
ii) Interest due but not paid	0	0	NIL
iii) Interest accrued but not due	0	0	NIL
<b>Total (i+ii+iii)</b>	58255578	177656041	NIL
<b>Change in Indebtedness during the financial year</b>			
Additions	0	1470687	NIL
Reduction	14535959	0	NIL
<b>Net Change</b>	14535959	1470687	NIL
<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount	43719619	179126728	NIL
ii) Interest due but not paid	0	0	NIL
iii) Interest accrued but not due	0	0	NIL
<b>Total (i+ii+iii)</b>	43719619	179126728	NIL

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

A. Remuneration to Managing Director, Whole time director and/or Manager is NIL as the Managing Director has voluntarily decided not to take any remuneration from the Company.

Sl.No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount
		Peeyush Kumar Aggarwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	-	-
	Ceiling as per the Act (120.00 lakhs plus 0.01% of the effective capital in excess of Rs. 250 crores.)		

Mr. Peeyush Kumar Aggarwal was appointed as Managing Director of the Company w.e.f. 3rd January 2018. He has voluntarily decided not to take any remuneration from the Company in view of losses suffered in previous years.

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Total
1	<b>Independent Directors*</b>			
	Mrs. Madhu Sharma	-	-	-
	Mr. Brahm Dutt Sharma	-	-	-
	Mr. Manoj Kumar Jain	-	-	-
	<b>Total (1)</b>	-	-	-
2	<b>Other Non Executive Directors**</b>			
	Mr. Peeyush Kumar Aggarwal***	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-
	Ceiling as per the Act (@1% of profits calculated under Section 197 of the Companies Act,2013)			

\* The Independent Directors have Voluntarily decided not to take any Fees or Commission.

\*\* The Non-Executive Director has decided not to take any Fees or Commission.

\*\*\* w.e.f. 3rd January 2018, Mr. Peeyush Kumar Aggarwal was appointed as Managing Director of the Company. Prior to 3rd January 2018, Mr. Peeyush Kumar Aggarwal was Non-Executive Director.



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

Rs. In Lakh

Sl. No.	Particulars	Key Managerial Personnel			
		Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
1	<b>Gross Salary</b>	<b>Mr. Rahul Meena*</b>	<b>Mr. Sanjay Sharma</b>	<b>Miss. Garima Singh</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	195,743.00	390,000.00	109,403.00	695,146.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	188,066.00	392,500.00	121,399.00	701,965.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit				
5	Others, allowances	-	-	-	-
	<b>Total</b>	<b>383,809.00</b>	<b>782,500.00</b>	<b>230,802.00</b>	<b>1,397,111.00</b>

\* Mr. Rahul Meena, Chief Executive Officer of the Company resigned w.e.f. 12th July 2017.

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty		NIL		NIL	
Punishment					
Compounding		NIL		NIL	
<b>B. DIRECTORS</b>					
Penalty		NIL		NIL	

Punishment					
Compounding		NIL		NIL	
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty		NIL		NIL	
Punishment					
Compounding		NIL		NIL	

**For and on behalf of the Board  
MPS Infotecncs Ltd.**

**SD/-**

**Peeyush Aggarwal**

**Chairman & Managing Director**

**DIN No. 00090423**

**Place : New Delhi**

**Date: 31st May, 2018**

**FORM AOC-1**

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]  
**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. )

Sl. No.	Particulars	Details		
1	Name of subsidiary	Axis Convergence INC	Greenwire Network Limited	Opentech Thai Network Specialists Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2017 to 31st March 2018	1st April 2017 to 31st March 2018	1st January 2017 - 31st December 2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US Doller	US Doller	Thai Bhat
4	Share Capital	807,160.00	559,360.00	12,020,053.00
5	Reserves & Surplus	56,334,537.00	8,570,880.00	(12,128,209.00)
6	Total Assets	91,024,470.00	52,739,968.00	1,571,887.00
7	Total Liabilities (Excluding Capital & Reserves)	33,882,772.00	43,609,727.00	1,684,239.00
8	Investments	-	-	4,196.00
9	Turnover	-	7,161,992.00	-
10	Profit before taxation	-	38,640.00	-
11	Provision for taxation	-	-	-
12	Profit after taxation	-	38,640.00	-
13	Proposed Dividend	-	-	-
14	% of Shareholding	100%	100%	99.996%

**For and on behalf of the Board**  
**MPS Infotecncs Ltd.**

**Place : New Delhi**  
**Date: 31st May, 2018**

**SD/-**  
**Peeyush Aggarwal**  
**Chairman & Managing Director**  
**DIN No. 00090423**

**FORM NO. AOC.2**

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 arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

<b>1</b>				<b>Details of contracts or arrangements or transactions not at arm's length basis - N.A</b>	
	a	Name(s) of the related party and nature of relationship			
	b	Nature of contracts/ arrangements/ transactions			
	c	Duration of the contracts/arrangements/ transactions			
	d	Salient terms of the contracts or arrangements or transactions including the value, if any			
	e	Justification for entering into such contracts or arrangements or transactions			
	f	date(s) of approval by the Board			
	g	Amount paid as advances, if any:			
	h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188			
<b>2</b>		Details of material contracts or arrangement or transactions at arm's length basis			
	a	Name(s) of the related party and nature of relationship	Mr. Peeyush Kumar Aggarwal - Promoter Director		Omkam Global Capital Pvt. Ltd. - Mr. Peeyush Aggarwal is also a Director in OGCL
	b	Nature of contracts/ arrangements/transactions	Unsecured loans received		Advances from Customers
	c	Duration of the contracts/ arrangements/transactions	N.A		N.A

d	Salient terms of the contracts or arrangements or transactions including the value, if any	The promoter director had been infusing funds from time to time for the smooth functioning of the Company and to meet short term fund requirements and as on 1st April 2017 the company had received Rs. 1722.90 lacs and during the year under review your company had received in aggregate a sum of Rs. 14.71 lacs. As on 31st March 2018, Mr. Peeyush Aggarwal has infused in aggregate a sum of Rs. 1737.61 lacs. The funds received by the promoter are repayable on demand and/or as and when the company has surplus funds and interest free.	Mr. Peeyush Aggarwal, Promoter Director of the Company is also a promoter director of Omkam Global capital Pvt. Ltd. (OGCPL). OGCPL is an Investment Company and also provides consultancy to its clients in financial products. OGCPL is desirous of getting a software developed from the company and for the said purpose has been advancing money. At the beginning of the year OGCPL had already advanced Rs. 358.90 lacs. During the year under review OGCPL at the request of your company had advanced in aggregate of Rs. 61.13 lacs and your company has refunded in aggregate a sum of Rs. 82.55 lacs. The balance as on 31st March 2018 is Rs. 336.49 lacs.
e	date(s) of approval by the Board	30th May 2018	30th May 2018
f	Amount paid as advances, if any:	N.A	N.A
g	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	29th September 2017	29th September 2017

**For and on behalf of the Board**  
**MPS Infotecncs Ltd.**

**SD/-**

**Peeyush Aggarwal**

**Chairman & Managing Director**

**DIN No. 00090423**

**Place : New Delhi**

**Date: 31st May, 2018**



**Kundan Agrawal & Associates**

Company Secretaries  
Phone: 91-11-43093900  
Mobile: 09212467033, 09999415059  
E-mail: agrawal.kundan@gmail.com

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**

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

To  
The Members  
**M/s MPS INFOTECNICS LIMITED**  
703, ARUNACHAL BUILDING,  
19 BARAKHAMBA ROAD, CONNAUGHT PLACE,  
NEW DELHI-110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s MPS Infotecnics 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.

We report that:

- a) 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.
- b) 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. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2018 ('Audit Period') 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 the Company for the financial year ended on 31 March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



**(Secretarial Audit Report for F.Y 2017-2018 for M/s MPS Infotecnics Limited)**

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Indian Stamp Act, 1899;
- (vii) Indian Contract Act, 1872;
- (viii) Income Tax Act, 1961 and indirect tax laws;
- (ix) Applicable Labour Laws; and
- (x) Other applicable Laws;

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by Compliance Auditors of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Listing Agreements with Stock Exchanges in India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.



**(Secretarial Audit Report for F.Y 2017-2018 for M/s MPS Infotecnics Limited)**

We further report that

- There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation and proper lawful conduct of the meetings and for maintaining adequate records for all the meetings held during the period under review, however further improvement will be appreciated. All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. Further improvements in the maintenance of records, registers, other documents will be appreciated.
- 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.
- As per the due-diligence done by us of the available records and documents of company, maintenance of minutes of board meeting and committees and Statutory Registers of the company are more or less in compliance with the applicable secretarial standards and various provisions of The Companies Act, 2013, however further improvement will be appreciated.
- National Stock Exchange of India Limited has put under Graded Surveillance Mechanism-Stage VI. Forensic Audit by NSE was initiated against the company. Company has given proper reply to NSE.
- Company has received a show cause notice under section 113 of SEBI Act, 1992 in the matter of GDRs issued by MPS Infotecnics Limited in 2007. Company has made representations to SEBI regarding the notice.

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

**Place: Delhi**  
**Date: 30/05/2018**

**For Kundan Agrawal & Associates**  
**Company Secretaries**  
**FRN: S2009DE113700**



**Kundan Agrawal**  
**Company Secretary**  
**Membership No.:- 7631**  
**C.P. No. 8325**



## INDEPENDENT AUDITOR'S REPORT

To the Members

### **MPS Infotecnics Limited**

Report on the IND AS Financial Statements

We have audited the accompanying standalone IND AS Financial Statements of MPS Infotecnics Limited New Delhi ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including other comprehensive income) and Cash Flow Statement for the year then ended and Statement of Changes in Equity and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone IND AS Financial Statements that give a true and fair view of the state of affairs (financial position) and financial performance and Cash Flow Statement of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone IND AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of standalone statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the IND AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IND AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances [but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls]. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IND AS Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS Financial Statements.

### **Basis of Qualified Opinion**

1. The company has shown in the balance sheet, bank balance in Banco Efisa (Lisbon Portugal) amounting to Rs. 347,892,163/- (in USD8883210.75) which the Bank has adjusted and the matter is in court of law. Consequently the bank balance shown in balance sheet is overstated by Rs. 347,892,163/- (Refer Note No. 7(b)).
2. The Company has increased its authorised capital from Rs. 52.45 Crores to Rs. 377.50 Crores during the period from FY 2010-11 to FY 2012-13, ROC fees of Rs.4.88 Crores towards the same stands payable, under the head "Other Current Liabilities" in the IND AS Financial Statements. (Refer Note No.9 and 14). Income tax for the AY 2013-14 amounting to Rs. 20.80 lacs and interest thereon is Payable.

### Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, and to the best of our information and according to the explanations given to us, the IND AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) In the case of the Statement of Profit and Loss (including Other Comprehensive), of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- d) In statement of changes in equities , of the changes in equities for the year ended .

### 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 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone IND AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2016
  - e. On the basis of the written representations received from the directors we on March 31, 2018 and taken on record by the board of director, none of the director of this company is disqualified as on 31 March,2018 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" to this report.
  - g. With respect to the other matters included in the Auditors Report and to the best of our information and according to the explanation given to us :
    - i. Detail of pending litigation which are having financial impact is given below:

Sr. No.	Details of the Case	Pending with (Authority name)	Amount in INR
1.	AY 2006-07, Demand is outstanding under Income Tax Act, against which appeal no. 193/08-09 dated 29.01.2009 has been filed	CIT (Appeal)-III, Bangalore	1,245,589.00
2.	Refer note 9 of Basis of Qualified Opinion regarding ROC fees for increase in authorised share capital.	Hon'ble High Court Delhi	31,321,705
3.	DGCEI imposed a Service Tax demand against which Rs. 10 Lacs has been paid without prejudice	CCE (Appeals)	3,553,123
4.	Visesh Infotechnics Ltd. V/s Benco Efisa, filed by Company for recovery (Refer note 7 b(1) of IND AS Financial Statements	10th Civil Court, Lisbon, Portugal	USD 888 3210.75 and interest thereon

- II. As per information furnished to us, the Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- III. There were no amounts which required to be transferred to the investor Education and Protection Fund by the Company.

**For M/s. M/s. RMA & Associates LLP**

**Chartered Accountants**

**Firm Reg. No.: 000978N/N500062**

**Amit Jain**

**Partner**

**Place: - New Delhi**

**Date : 31st May 2018**

**M. No. 503109**

**MPS Infotecnics Limited**

**“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the IND AS Financial Statements of the Company for the year ended March 31, 2018.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we further state as under:

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets
- (b) All the assets have been physically verified by management during the year but there is The Company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
2. (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable except GST.
- b) According to the information and explanation given to us, there are statutory dues which have not been deposited on account of any dispute, detail is given below:-

Sr. No.	Nature of Statutory Dues	Amount in INR
1.	Income Tax AY 2006-07	12,45,589
2.	Service Tax	25,53,123

8. According to the information and explanations given to us and based on the documents and records produced to us, the company has defaulted in repayment of dues to Allahabad Bank, South Extension, New Delhi Branch against working capital limit for which the company has entered into one time settlement agreement on 14, Jan, 2016 and has settled for a sum of Rs. 1186.50 lakhs plus interest thereon from the date of settlement to the date of payment. Further the company has paid a sum of Rs. 10,27,40,318/- till 31.05.2017 and further re entered into an OTS of Rs. 266.00 Lacs and paid a sum of Rs. 13.30 lacs.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to

- the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
  11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
  12. The Company is not a Nidhi Company. Hence this clause is not applicable on it.
  13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the IND AS Financial Statements as required by the applicable accounting standards.
  14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
  15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Orders are not applicable to the company
  16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Orders are not applicable to the company

**For M/s. M/s. RMA & Associates LLP**

**Chartered Accountants**

**Firm Reg. No.: 000978N/N500062**

**Amit Jain**

**Partner**

**M. No. 503109**

**Place: - New Delhi**

**Date : 31st May 2018**

**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone IND AS Financial Statements of MPS INFOTECNICS LIMITED (Formerly known as Visesh Infotecnics Ltd.)**

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

We have audited the internal financial controls over financial reporting of MPS INFOTECNICS LIMITED as of March 31, 2018 in conjunction with our audit of the Standalone IND AS Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls . These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2018.

**For M/s. M/s. RMA & Associates LLP**

**Chartered Accountants**

**Firm Reg. No.: 000978N/N500062**

**Amit Jain**

**Partner**

**M. No. 503109**

**Place: - New Delhi**

**Date : 31st May 2018**

**Balance Sheet as at 31st March, 2018**

(Amount in Rs.)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2016
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
PROPERTY, PLANT AND EQUIPMENT	2(a)	245,162	4,567,987	9,930,825
CAPITAL WORK IN PROGRESS		-	-	-
INVESTMENT PROPERTY		-	-	-
INTANGIBLE ASSETS	2(b)	301,959,228	55,339,022	64,839,022
INTANGIBLE ASSETS UNDER DEVELOPMENT	2(c)	564,439,755	826,014,755	826,014,755
FINANCIAL ASSETS		-	-	-
INVESTMENTS	3	617,485,195	617,485,196	617,485,196
LOANS		-	-	-
OTHER FINANCIAL ASSETS		-	-	-
DEFERRED TAX ASSETS (NET)		-	-	-
OTHER NON CURRENT ASSETS	4	2,235,899,216	2,246,392,360	2,239,101,952
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,720,028,556</b>	<b>3,749,799,320</b>	<b>3,757,371,750</b>
<b>CURRENT ASSETS</b>				
INVENTORIES	5	623,171,983	622,309,889	624,489,889
FINANCIAL ASSETS				
TRADE RECEIVABLES	6	219,172,422	369,456,442	370,116,471
CASH AND CASH EQUIVALENTS-OWNED FUND	7(a)	368,252	81,497	253,878
BANK BALANCES & LOANS	7(b)	349,165,200	351,098,480	351,045,037
OTHER FINANCIAL ASSETS		-	-	-
CURRENT TAX ASSETS (NET)		-	-	-
OTHER CURRENT ASSETS	8	36,864,777	44,071,573	47,903,979
<b>TOTAL CURRENT ASSETS</b>		<b>1,228,742,635</b>	<b>1,387,017,881</b>	<b>1,393,809,254</b>
<b>TOTAL ASSETS</b>		<b>4,948,771,191</b>	<b>5,136,817,200</b>	<b>5,151,181,000</b>
<b>EQUITY AND LIABILITIES</b>				
EQUITY SHARE CAPITAL	8	3,774,436,655	3,774,436,655	3,774,436,655
OTHER EQUITY	10	748,512,275	722,985,899	731,484,427
<b>TOTAL EQUITY</b>		<b>4,522,948,930</b>	<b>4,497,422,554</b>	<b>4,505,921,082</b>
<b>LIABILITIES</b>				
<b>NON CURRENT LIABILITIES</b>				
FINANCIAL LIABILITIES				
BORROWINGS	11	17,119,619	15,321,000	16,307,506
DEFERRED TAX LIABILITY (NET)		26,870,688	15,972,419	22,110,647
OTHER NON CURRENT LIABILITIES		-	-	-
		43,990,307	31,293,419	38,418,153
<b>CURRENT LIABILITIES</b>				
FINANCIAL LIABILITIES				
BORROWINGS	12	205,726,728	220,590,619	249,732,261
TRADE PAYABLES		52,941,902	70,643,937	57,758,244
OTHER FINANCIAL LIABILITIES		-	-	-
PROVISIONS	13	5,189,960	41,413,986	38,103,487
OTHER CURRENT LIABILITIES	14	117,973,361	275,452,685	261,247,772
CURRENT TAX LIABILITY		-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>381,831,952</b>	<b>608,101,227</b>	<b>606,841,764</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,948,771,191</b>	<b>5,136,817,200</b>	<b>5,151,181,000</b>
NOTES ON FINANCIAL STATEMENTS	1-29			
SIGNIFICANT ACCOUNTING POLICIES	30			

As per our Audit Report of even date

For RMA & Associates LLP  
Chartered Accountants  
FRN No. : 000978N/N500062

For and on behalf of the Board of Directors

Amit Jain  
Partner  
M.No.: 503109

Peeyush Aggarwal  
Chairman & Managing Director  
DIN : 00090423

Place : New Delhi  
Date : 31.05.2018

Garima Singh  
Company Secretary

Sanjay Sharma  
Chief Financial Officer



**Statement of Profit & Loss for the year ended 31st March, 2018**

(Amount in Rs.)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
<b>REVENUE</b>			
REVENUE FROM OPERATIONS	15	770,511,058	1,864,348,659
OTHER INCOME	16	68,586,691	14,029,791
<b>TOTAL REVENUE</b>		<b>839,097,749</b>	<b>1,878,378,450</b>
<b>EXPENDITURE</b>			
PURCHASE OF STOCK -IN -TRADE & SERVICES		762,244,242	1,837,147,879
CHANGE IN INVENTORIES	17	(862,095)	2,180,000
EMPLOYEE BENEFIT EXPENSES	18	15,160,548	19,467,571
FINANCE COST	19	32,116,623	4,004,177
DEPRECIATION & AMORTISATION EXPENSES		16,253,010	10,684,012
OTHER EXPENSES	20	14,203,117	19,531,567
<b>TOTAL EXPENDITURE</b>		<b>839,115,445</b>	<b>1,893,015,206</b>
<b>PROFIT BEFORE TAX</b>		<b>(17,696)</b>	<b>(14,636,756)</b>
TAX EXPENSES			
- CURRENT TAX		-	-
- EARLIER YEARS (NET)		36,028,651	-
- DEFERRED TAX (NET)		10,898,270	(6,138,228)
<b>PROFIT AFTER TAX</b>		<b>25,112,686</b>	<b>(8,498,528)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		368,691	-
- GAIN OR LOSS ARISING ON FAIR VALUATION OF EQUITY INSTRUMENT		-	(44,999)
<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>		<b>368,691</b>	<b>(44,999)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>25,481,377</b>	<b>(8,543,527)</b>
<b>"EARNING PER SHARE (EQUITY SHARE OF RS 10/- EACH) - BASIC &amp; DILUTED"</b>		<b>0.0067</b>	<b>(0.0023)</b>
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		3,774,436,655	3,774,436,655

Nature of Adjustments	Year Ended March 31, 2017
<b>Profit &amp; Loss as per IGAAP</b>	(11,703,809)
Prepaid Interest on Security Deposit	25,518
Interest Income Staff Loan (Amortisation)	282
Prior Period Income	-
Prior Period Expense	525,369
Purchases of Stock	(362,524)
Prepaid Expenses on Security Deposit	(25,518)
Interest Expenses Staff Loan Amortisation	(282)
Tax Adjustments - Deferred Tax	3,042,436
<b>Other Comprehensive Income</b>	
Gain or Loss arising out of Fair Valuation of Equity Instrument	(44,999)
<b>Profit &amp; Loss as per IND AS</b>	<b>(8,543,527)</b>

NOTES ON FINANCIAL STATEMENTS 1-29

SIGNIFICANT ACCOUNTING POLICIES 30

As per our Audit Report of even date

**For RMA & Associates LLP**  
Chartered Accountants  
FRN No. : 000978N/N500062

**Amit Jain**  
Partner  
M.No.: 503109

Place : New Delhi  
Date : 31.05.2018

**For and on behalf of the Board of Directors**

**Peeyush Aggarwal**  
Chairman & Managing Director  
DIN : 00090423

**Garima Singh**  
Company Secretary

**Sanjay Sharma**  
Chief Financial Officer

**Cash Flow Statement for the year ended 31st March, 2018**

(Amount in Rs.)

Particulars	As At 31-03-18	As At 31-03-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(17,696)	(14,636,756)
<b>Adjustment for :</b>		
Depreciation & Amortisation	16,253,010	10,684,012
Leave Encashment	(187,485)	12,092
Gratuity	(7,890)	61,469
Comprehensive Income	413,690	-
Provision for Income Tax & Interest on Income Tax A.Y. 2013-14	(36,028,651)	3,236,938
Interest & Other Costs	32,116,623	4,004,177
Interest Received	(298,924)	(301,713)
(Profit) / Loss on sale of Fixed Assets	(68,062,392)	(13,603,610)
Amount Transferred from General Reserve	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(19,791,064)</b>	<b>(10,706,236)</b>
(Increase)/Decrease in Current Assets	<b>156,628,721</b>	7,107,889
Increase/(Decrease) in Current Liabilities	<b>(190,045,249)</b>	(1,871,191)
<b>Net Cash from Operating Activities (A)</b>	<b>(53,207,592)</b>	<b>(5,469,538)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(261,587,999)	(554,098)
Sale of Fixed Assets	71,100,000	18,336,500
Change in Capital WIP	261,575,000	-
Interest Received	298,924	301,713
Long term Loans & Advances	<b>10,493,144</b>	(7,742,862)
<b>Net Cash Outflow in Investing Activities (B)</b>	<b>81,879,069</b>	<b>10,341,253</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares	-	-
Share Application Money Received	-	-
Increase / ( Decrease) in Long Term Borrowings	1,798,619	(986,506)
Prior Period Item	-	-
Interest Paid	(32,116,623)	(4,004,177)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>(30,318,004)</b>	<b>(4,990,683)</b>
<b>Foreign Currency Translation Reserve</b>		
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(1,646,525)</b>	<b>(118,939)</b>
<b>Cash and Cash Equivalent as at 01/04/2017</b>	<b>351,179,977</b>	<b>351,298,915</b>
<b>Cash and Cash Equivalent as at 31/03/2018</b>	<b>349,533,452</b>	<b>351,179,977</b>

**Notes:**

- Comparative figures have been regrouped wherever necessary.
- The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006.
- These earmarked account balances with banks can be utilised only for the specific identified purposes.
- Bank Balance as shown in cash and Cash Equivalents amounting to Rs. 34,78,92,163 in Banco Efisa bank in Potugal is not available for use, because the bank has Debited the account by same amount, the matter is in court of Law.

**As per our Audit Report of even date**

**For RMA & Associates LLP**  
Chartered Accountants  
FRN No. : 000978N/N500062

**For and on behalf of the Board of Directors**

**Amit Jain**  
Partner  
M.No.: 503109

**Peeyush Aggarwal**  
Chairman & Managing Director  
DIN : 00090423

**Place :** New Delhi  
**Date :** 31.05.2018

**Garima Singh**  
Company Secretary

**Sanjay Sharma**  
Chief Financial Officer

Statement of changes in Equity FOR THE YEAR ENDED 31ST MARCH, 2017						
Particulars	Equity Share Capital	Other equity			Total	"Total Equity & Other Equity"
		Reserve & surplus		"Other Comprehensive Income"		
		Retained Earning	General Reserve			
Balance as of April 1,2016	3,774,436,655	705,410,997	26,073,430	-	731,484,427	4,505,921,082
"Changes In equity for the year ended March 31,2017"	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ assets,net of tax effect	-	-	-	-	-	-
Profit for the Period	-	(8,498,528)	-	-	(8,498,528)	(8498528)
Balance as of March 31, 2017	3,774,436,655	696,912,469	26,073,430	-	722,985,899	4,497,422,554

Statement of changes in Equity FOR THE YEAR ENDED 31ST MARCH, 2017						
Particulars	Equity Share Capital	Other equity			Total	"Total Equity & Other Equity"
		Reserve & surplus		"Other Comprehensive Income"		
		Retained Earning	General Reserve			
Balance as of April 1,2016	3,774,436,655	696,912,469	26,073,430	-	722,985,899	4,497,422,554
"Changes In equity for the year ended March 31,2017"	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ assets,net of tax effect	-	-	-	413,690	413,690	413,690
Profit for the Period	-	25,112,686	-	-	25,112,686	25,112,686
Balance as of March 31, 2017	3,774,436,655	722,025,156	26,073,430	413,690	748,512,275	45,22,948,930

NOTES ON FINANCIAL STATEMENTS 1-29  
SIGNIFICANT ACCOUNTING POLICIES 30

As per our Audit Report of even date

**For RMA & Associates LLP**  
Chartered Accountants  
FRN No. : 000978N/N500062

**Amit Jain**  
Partner  
M.No.: 503109

Place : New Delhi  
Date : 31.05.2018

For and on behalf of the Board of Directors

**Peeyush Aggarwal**  
Chairman & Managing Director  
DIN : 00090423

**Garima Singh**  
Company Secretary

**Sanjay Sharma**  
Chief Financial Officer

**Balance Sheet as at 31st March 2018**

**Note on Financial Statements**

**1. Reconciliations**

The following reconciliations provide the effect of transition to IND AS from IGAPP in accordance with IND AS 101:-

**1.1 Equity as at 01.04.2016 and 31.03.2017 as previously reported under INDIAN GAAP to IND AS**

Particulars	As at 31.03.2017 IGAAP	IND ADJ	As at 31.03.2017 IND AS	As at 01.04.2016 IGAAP	IND ADJ	As at 01.04.2016 IND AS
<b>I. ASSETS</b>						
<b>1 Non-Current Assets</b>						
(a) Fixed Assets						
(i) Tangible Assets	4,567,987	-	4,567,987	9,930,825	-	9,930,825
(ii) Intangible Assets	55,339,022	-	55,339,022	64,839,022	-	64,839,022
(iii) Capital Work-in-Progress	826,014,755	-	826,014,755	826,014,755	-	826,014,755
(b) Non-Current Investments	617,530,195	44,999	617,485,196	617,530,195	44,999	617,485,196
(c) Other Non Current Assets	2,245,914,462	(477,897)	2,246,392,360	2,238,171,600	930,352	2,239,101,952
<b>2 Current assets</b>						
(a) Inventories	622,309,889	-	622,309,889	624,489,889	-	624,489,889
(b) Trade Receivables	369,456,442	-	369,456,442	370,099,471	(17,000)	370,116,471
(c) Cash and Cash Equivalents owned fund	81,497	-	81,497	253,878	-	253,878
(d) Bank Balances & Loans	351,098,480	-	351,098,480	351,045,037	-	351,045,037
(e) Other Current Assets	44,549,470	477,897	44,071,573	48,834,330	(930,352)	47,903,979
<b>Total</b>	<b>5,136,862,200</b>	<b>44,999</b>	<b>5,136,817,200</b>	<b>5,151,208,998</b>	<b>27,999</b>	<b>5,151,181,000</b>
<b>II. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' Funds</b>						
(a) Share Capital	3,774,436,655	-	3,774,436,655	3,774,436,655	-	3,774,436,655
(b) Reserves and Surplus	609,401,726	(113,584,173)	722,985,899	621,105,535	(110,378,892)	731,484,427
<b>2 Non-Current Liabilities</b>						
(a) Long-Term Borrowings	15,321,000	-	15,321,000	16,307,506	-	16,307,506
(b) Deferred Tax Liabilities	129,964,115	113,991,696	15,972,419	133,059,907	110,949,260	22,110,647
(c) Other Non Current Liabilities	-	-	-	-	-	-
<b>3 Current Liabilities</b>						
(a) Short Term Borrowings	220,590,619	-	220,590,619	249,732,261	-	249,732,261
(b) Trade Payables	70,281,413	(362,524)	70,643,937	57,215,875	(542,369)	57,758,244
(c) Short-Term Provisions	41,413,986	-	41,413,986	38,103,487	-	38,103,487
(d) Other Current Liabilities	275,452,685	-	275,452,685	261,247,772	-	261,247,772
<b>Total</b>	<b>5,136,862,199</b>	<b>44,999</b>	<b>5,136,817,200</b>	<b>5,151,208,998</b>	<b>27,999</b>	<b>5,151,181,000</b>

**Note:**

- A: Application of IND AS 12, Balance sheet approach
- B: Trade Payable has decreased , as prior period purchase debited in 2018 has been adjusted and purchase of 2017 has increased along with increase in trade payable
- C: Investment has been valued based on net worth of the company in which investments are held, since the networth of the company in which investment held is negative, fair value has been taken as nil. But shares has not been disposed, a nominal value of Re. 1 has been taken
- D: Staff loan fair valuation, deferred cost, IND AS adjustments
- E: Adjustment for: Deferred cost on staff advance, Prepaid Rent on Security Deposit, Security Deposits, Security Deposit Ammortisation Adjustment (Note 8 B)
- \* Security deposits has been taken to non current as it is a non current asset and has to be adjustment after 12 months from the closing date.

**1.2 Reconciliation of total comprehensive income as at 31.03.2017 as previously reported under Indian GAAP to IND AS**

<b>Nature of Adjustments</b>	<b>Year Ended March 31, 2017</b>
Profit & Loss as per IGAAP	(11,703,809)
Prepaid Interest on Security Deposit	25,518
Interest Income Staff Loan (Amortisation)	282
Prior Period Income	-
Prior Period Expense	525,369
Purchases of Stock	(362,524)
Prepaid Expenses on Security Deposit	(25,518)
Interest Expenses Staff Loan Amortisation	(282)
Tax Adjustments - Deffered Tax	3,042,436
Other Comprehensive Income	-
Gain or Loss arising out of Fair Valuation of Equity Instrument	(44,999)
Profit & Loss as per IND AS	(8,543,527)

Schedule of Depreciation as per Schedule II of Companies Act, 2013

Note 2 - Fixed Assets

(Amount in Rs.)

Description	RATE	Gross Block			Depreciation / Amortization				Net Block		
		As At 01.04.2017	Additions / Adjustments	Deductions / Adjustments	As At 31.03.2018	As At 01.04.2017	For the Year	Write off through reserve	Deductions / Adjustments	As At 31.03.2018	As At 31.03.2017
<b>A. PROPERTY PLANT &amp; MACHINERY :</b>											
Building	1.63%	3,900,000	-	3,900,000	-	820,960	41,464	-	862,424	-	3,079,040
Plant & Machinery											
- Computers and Peripherals	16.21%	34,326,883	-	-	34,326,883	34,016,470	272,765	-	-	34,289,235	310,413
-Office Equipments	4.75%	14,306,415	12,999	-	14,319,414	13,943,274	308,604	-	-	14,251,878	363,141
Vehicles	9.50%	5,206,584	-	-	5,206,584	4,865,454	213,593	-	-	5,079,047	341,130
Furniture & Fixtures	6.33%	15,539,164	-	-	15,539,164	15,064,901	461,821	-	-	15,526,722	474,263
Sub Total (A)		73,279,046	12,999	3,900,000	69,392,045	68,711,059	1,298,248	-	862,424	69,146,883	4,567,987
<b>B. INTANGIBLE ASSETS :</b>											
Goodwill	10.00%	2,800,000	-	-	2,800,000	2,800,000	-	-	-	2,800,000	-
Software	10.00%	95,000,000	261,575,000	-	356,575,000	39,860,978	14,954,795	-	-	54,615,773	301,959,228
Sub Total (B)		97,800,000	261,575,000	-	359,375,000	42,460,978	14,954,795	-	-	57,415,773	301,959,228
Total (A+B)		171,079,046	261,587,999	3,900,000	428,767,045	111,172,037	16,253,043	-	862,424	126,562,656	55,339,022
<b>C. CAPITAL WORK IN PROGRESS</b>											
Capital Work-in-Progress (including Advances on Capital Account)		826,014,755	-	261,575,000	564,439,755	-	-	-	-	-	826,014,755
Grand Total A+B+C		997,093,801	261,587,999	265,475,000	993,206,800	111,172,037	16,253,043	-	862,424	126,562,656	885,921,764

Note :

- The Company has developed or customized various computer software in house. The company has source code for all these software and has all the rights over the product. However there is no formal registration of IPR. The company has shown these software under the sub-head "Software" under the head "Intangible" in its financial statements and the same is certified by the management. Capital WIP includes various software product under developed / developed which also includes software with third party for development/modification. During the year, the Company has received software product worth Rs. 5.50 Crores as sales return which was sold in the previous year."
- During the financial year 2013-14, the Company transferred softwares (under the head Intangible Assets in Fixed Assets) amounting to Rs. 62.23 crores into stock in trade at WDV as on 01/04/2013. The management of the company has decided to sell these various software products in the market.

**Notes on Financial Statements for the Year ended 31st March, 2018**

(Amount in Rs.)

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>3</b>	<b>NON-CURRENT INVESTMENTS</b>			
	<b>In Equity Shares of Subsidiaries Companies</b>			
	Axis Convergence Inc -20000 Equity Share (20000E.S.)	403,985,905	403,985,905	403,985,905
	Greenwire Network Ltd.-25641 Equity Share(25641 E.S.)	201,479,237	201,479,237	201,479,237
	Opentec Thai Network Specialists Co. Limited-129995 Equity Shares (129995 E.S.)	12,020,053	12,020,053	12,020,053
	<b>Others</b>			
	Veom Infotech Pvt. Ltd.- 4500 Equity shares (4500E.S.)	-	1	1
	Investment By Subsidiaries Cos.	-	-	-
	<b>Total</b>	<b>617,485,195</b>	<b>617,485,196</b>	<b>617,485,196</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>4</b>	<b>OTHER NON CURRNET ASSETS</b>			
	<b>a. LONG-TERM LOANS &amp; ADVANCES</b>			
	Advances with Tax Authorities	14,726,488	15,462,226	14,386,286
	Other Loans and Advances	2,221,141,340	2,230,452,237	2,223,785,314
	Total (a)	2,235,867,828	2,245,914,462	2,238,171,600
	<b>b. OTHER NON CURRENT ASSETS</b>			
	Deferred cost on staff advance	-	564	820
	Prepaid Rent on Security Deposit	31,388	56031	149,828
	Security Deposits	-	477,334	929,532
	Security Deposit Ammortisation Adjustment	-	(56,031)	(149,828)
	Total (b)	31,388	477,897	930,352
	<b>Total (a) + (b)</b>	<b>2,235,899,216</b>	<b>2,246,392,360</b>	<b>2,239,101,952</b>

**Notes :**

- 1 Other Loans & Advances are subject to balance confirmation.
- 2 During the financial year 2013-14, due to change in business plan and consequential ammendment in terms, Capital Advances amounting to Rs. 220 Crore has been taken as long term advances and included in Other Loans & Advances.

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>5</b>	<b>INVENTORIES</b>			
	Stock-in-Trade	623,171,983	622,309,889	624,489,889
	<b>Total</b>	<b>623,171,983</b>	<b>622,309,889</b>	<b>624,489,889</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>6</b>	<b>TRADE RECEIVABLES</b>			
	(Unsecured & Considered Good)			
	Over Six Months	206,135,332	356,332,337	358,779,844
	Others	13,037,090	13,124,105	11,336,627
	<b>Total</b>	<b>219,172,422</b>	<b>369,456,442</b>	<b>370,116,471</b>

**Notes :-** Trade Receivables subject to balance confirmation. The management considers the same is good and recoverable.

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>7 (a)</b>	<b>CASH BALANCES</b>			
	Cash in hand	368,252	81,497	253,878
	Total (a)	368,252	81,497	253,878
<b>7 (b)</b>	<b>BANK BALANCES</b>			
	Balances with Banks	838,037	461,317	407,874
	Fixed Deposits with Banks	435,000	2,745,000	2,745,000
	Balances with Foreign Bank - Banco Efisa	347,892,163	347,892,163	347,892,163
	Total (b)	349,165,200	351,098,480	351,045,037
	<b>Total (a) + (b)</b>	<b>349,533,452</b>	<b>351,179,977</b>	<b>351,298,915</b>

**Notes :-**

- The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, the Bank in Portugal, Banco Efisa wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law. During the criminal investigation, several new facts/documents have come to our knowledge and based on the evaluation of new facts/documents by Barristers, Senior Advocates and investigation carried out in India, London and Portugal; your Company has initiated a strong civil action for recovery of USD 8,883,210.75, along with interest, against Banco Efisa and its Holding Company, wherein the Portuguese advocates confirm that the chances of recovery are very high.
- Bank guarantee issued to Unique Identification Authority of India Rs. 200,000/-

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>8</b>	<b>OTHER CURRENT ASSETS</b>			
	<b>SHORT TERM LOANS &amp; ADVANCES</b>			
	Advances to Staff	104,000	236,816	47,480
	Staff Loan Amortisation Adj.	-	(564)	(820)
	Advance to Suppliers	31,453,477	36,913,211	40,983,157
	Advance with Tax Authorities	158,598	495,453	1,177,786
	<b>Total (a)</b>	<b>31,716,075</b>	<b>37,644,916</b>	<b>42,207,603</b>
	<b>OTHER CURRENT ASSETS</b>			
	Security Deposits	501,334	-	-
	Security Deposit Ammortisation Adjustment	(31,388)	-	-
	Prepaid Expenses	4,303,749	4,674,714	4,175,656
	Interest accrued but not due	375,007	1,751,943	1,520,720
	<b>Total (b)</b>	<b>5,148,702</b>	<b>6,426,657</b>	<b>5,696,376</b>
	<b>Total (a) + (b)</b>	<b>36,864,777</b>	<b>44,071,573</b>	<b>47,903,979</b>

**Notes :-**

- Other Loans & Advances, Advance to suppliers are subject to balance confirmation, however these loans and advances are good and recoverable.

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>9</b>	<b>SHARE CAPITAL</b>			
	<b>Equity Share Capital</b>			
	Authorised Share Capital :	3,775,000,000	3,775,000,000	3,775,000,000
	3,775,000,000 Equity Share of Re.1/- each (Previous Year 3,775,000,000 equity share of Re. 1/- each)			
<b>(a)</b>	<b>Issued, Subscribed &amp; Paid Up Share Capital :</b> (377,44,36,655 Equity Shares of Re. 1/- each Includes 102,404,764 Equity Shares Consequent to issue of 46,54,762 GDR vide information Memorandum Dated December 4 , 2007)	3,774,436,655	3,774,436,655	3,774,436,655
	<b>Total</b>	<b>3,774,436,655</b>	<b>3,774,436,655</b>	<b>3,774,436,655</b>

**Notes:**

- The Company has only one class of equity shares having a par value of Re.1/- each per share. Each holder of equity share is entitled to one vote per share.



2. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after discharging the liabilities of the Company.
3. The Company had increased the authorized capital during the Financial Year 2010-11 to 2012-13, however due to technical issues necessary forms along with the fees w.r.t. increase in Authorised Capital, could not be filed and paid. Measnrwhile the schedule of fees was increased as per the companies act, 2013. However, the authorised capital was increased prior to the applicability of companies act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi, challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014 and the same is pending adjudication.

**The Details of Shareholders holding more than 5 % shares :**

Name of the Shareholder	31st March, 2018		31st March, 2017		31st March, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Mr. Peeyush Aggarwal	786,750,193	20.844%	786,750,193	20.844	786,750,193	20.844
Omkam Capital Markets Pvt. Ltd.	341,000,000	9.034%	341,000,000	9.034	341,000,000	9.034
Omkam Global Capital Pvt. Ltd.	138,562,036	3.671%	298,562,036	7.910	298,562,036	7.910
Omkam Securities Markets Pvt. Ltd.	92,000,000	2.437%	242,000,000	6.412	242,000,000	6.412

**The reconciliation of the number of shares outstanding is set out as below :**

Particulars			
Equity Shares at the beginning of the year	3,774,436,655	3,774,436,655	3,774,436,655
Add: Shares issued on conversion of convertible warrants	-	-	-
Add: Shares issued as Bonus Shares	-	-	-
Equity Shares at the end of the year	3,774,436,655	3,774,436,655	3,774,436,655

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>10</b>	<b>Other Equity</b>			
	<b>a. Reserves &amp; Surplus</b>			
	Capital Reserve	51,457,116	51,457,116	51,457,116
	Securities Premium Reserve	899,102,506	899,102,506	899,102,506
	General Reserve	26,073,430	26,073,430	26,073,430
	Foreign Currency Translation Reserve		-	-
	(Less):-			
	Deficit in earlier year	(253,602,154)	(245,103,626)	(357,973,867)
	Deficit during the year	25,112,686	(8,498,528)	112,870,241
		<b>748,143,584</b>	<b>723,030,898</b>	<b>731,529,426</b>
	<b>b. Other Comprehensive Income</b>			
	Items that will not be subsequently reclassified to OCI			
	Remeasurements of Defined Benefit Liability	368,691	-	-
	Gain or Loss arising out of Fair Valuation of Equity Instrument	-	(44,999)	(44,999)
	<b>Total (a+b)</b>	<b>748,512,275</b>	<b>722,985,899</b>	<b>731,484,427</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>11</b>	<b>LONG TERM BORROWINGS</b>			
	<b>Secured</b>			
	Loans from Other Banks & Institution	17,119,619	15,321,000	16,307,506
	<b>Total</b>	<b>17,119,619</b>	<b>15,321,000</b>	<b>16,307,506</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>12</b>	<b>SHORT TERM BORROWING</b>			
	<b>Secured</b>			
	Working Capital Loan from Allahabad Bank	26,600,000	42,934,578	88,774,896
	Unsecured			
	Others	179,126,728	177,656,041	160,957,365
	<b>Total</b>	<b>205,726,728</b>	<b>220,590,619</b>	<b>249,732,261</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>13</b>	<b>SHORT TERM PROVISIONS</b>			
	Provision for Income Tax	2,080,074	24,899,527	24,899,527
	Provision for Interest on Income Tax A.Y. 2013-14	-	13,209,198	9,972,260
	Provisions for Employees Benefits - Leave Encashment	1,428,536	1,616,021	1,603,929
	Provisions for Employees Benefits - Gratuity	1,681,350	1,689,240	1,627,771
	<b>Total</b>	<b>5,189,960</b>	<b>41,413,986</b>	<b>38,103,487</b>

**Note:-** Working Capital Loans from Allahabad Bank and Loans from Phoenix ARC Pvt. Ltd. are secured by way of charge on movable and immovable properties of the Company.

- (i) Company has entered into an OTS for a sum of Rs. 11,86,50,000.00 with Allahabad Bank as on 14.01.2016 and paid a sum of Rs. 10,27,40,318/- till 31.05.2017 and further re entered into an oTS of Rs. 266.00 Lacs and paid Rs. 13.30 Lacs.
- (ii) Other Unsecured loans included a sum of Rs. 173,760,793/- from directors.

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>14</b>	<b>OTHER CURRENT LIABILITIES</b>			
	Interest Payable	-	-	
	Advance from customers	58,396,799	222,016,962	209,000,454
	Other Payables	59,576,563	53,435,723	52,247,318
	<b>Total</b>	<b>117,973,361</b>	<b>275,452,685</b>	<b>261,247,772</b>

**Note:-** Other payable includes Rs.4.88 Crores towards ROC fees in connection with increase in Authorised share capital from Rs. 52.45 Crores to Rs. 377.50 Crores in various EGMs held and Merger through Court orders held during the Period from FY 2010-11 to FY 2012-13. Kindly refer Note No. 1 (3) under the head "Share Capital" Trade Payables are subject to balance confirmation.

Note No	Particulars	31/03/2018	31/03/2017
<b>15</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products & Services	770,511,058	1,864,348,659
	<b>Total</b>	<b>770,511,058</b>	<b>1,864,348,659</b>

Note No	Particulars	31/03/2018	31/03/2017
<b>16</b>	<b>OTHER INCOME</b>		
	Miscellaneous Income	225,375	98,668
	Profit on sale of Fixed Assets	68,062,392	13,603,610
	Prepaid Income on Security Deposit	31,388	25,518
	Interest Income Staff Loan (Amortisation)	-	282
	Interest income	298,924	301,713
	<b>Total</b>	<b>68,586,691</b>	<b>14,029,791</b>

Note No	Particulars	31/03/2018	31/03/2017
<b>17</b>	<b>CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
	Opening Stock	622,309,889	624,489,889
	Less: Closing Stock	623,171,984	622,309,889
	<b>Total</b>	<b>(862,095)</b>	<b>2,180,000</b>

Note No	Particulars	31/03/2018	31/03/2017
<b>18</b>	<b>EMPLOYEE's BENEFIT EXPENSES</b>		
	Salaries and Wages	14,245,494	17,832,894
	Director's Remuneration	-	391,225
	Contribution to Provident and Other Funds	502,397	540,774
	Staff Welfare Expenses	412,657	702,396
	Interest Expense Staff Loan (Amortisation)		282
	<b>Total</b>	<b>15,160,548</b>	<b>19,467,571</b>

Note No	Particulars	31/03/2018	31/03/2017
<b>19</b>	<b>FINANCE COST</b>		
	Interest Expenses	32,116,623	4,004,177
	<b>Total</b>	<b>32,116,623</b>	<b>4,004,177</b>

Note No	Particulars	31/03/2018	31/03/2017
<b>20</b>	<b>OTHER EXPENSES</b>		
	Advertisement and Publicity	106,721	61,309
	AGM / Board Meeting Expenses	8,040	12,620
	Audit Fees	150,000	172,500
	Bank Charges	185,814	171,998
	Books & Periodicals	-	-
	Business Promotion Expenses	114,330	69,743
	Commission	644,068	-
	Communication Expenses	485,890	1,048,628
	Conveyance Expenses	494,406	647,203
	Exchange Rate Fluctuation	36,423	30,237
	Freight & Cartage	-	-
	Insurance Premium	45,238	10,920
	Legal & Professional Charges	960,722	1,238,284
	Listing Fees	1,502,736	1,371,804
	Donation and Diwali Expenses	-	101,900
	Deferred Revenue Expenditure Written Off (ROC Fee)	-	-
	Power, Fuel & Water Charges	798,437	819,404
	Printing & Stationery	119,054	181,663
	Rates & Taxes	5,295,635	10,036,031
	Rent Charges	2,223,336	2,278,336
	Repair & Maintenance Charges	369,812	532,146
	Security Service Charges	249,000	228,000
	Subscription & Membership Fees	42	3,128
	Short & Excess	5,005	158,285
	Server Rentals	143,835	-
	Travelling & Tour Expenses -Directors	-	-
	Travelling & Tour Expenses -Others	74,658	116,450
	Vehicle Running & Maintenance	189,914	215,459
	Prepaid Expense on Security Deposit	31,388	25,518
	<b>Total</b>	<b>14,203,117</b>	<b>19,531,567</b>

**Note 21 - Disclosure Under Accounting Standard 11- Transactions occurred in Foreign Currency**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Import/Export in Foreign Currency</b>		
FOB Value of Export	73,796	2,064,345
Value of Imports	1,655,730	2,924,636
<b>Expenditure in Foreign Currency</b>	-	-
<b>Profit and (Loss) Foreign Exchange Fluctuation</b>		
Net Profit / (Loss) in Foreign Exchange Fluctuation	(36,423)	(30,237)

The company has received Rs. 68,127,269 in USD towards sale of Airtime within India.

**Note 22 - Disclosure under Accounting Standard 29 - Contingent Liabilities**

- A. Dues of Income Tax
- A.Y. 2006-07 Rs. 1,245,589/- (Rs. 1,245,589/-)
  - A.Y. 2010-11 Nil (27,306,810/-)
  - A.Y. 2011-12 Nil (445,798,390/-)
- B. Interest on Cash Credit (NPA as per Bank) of Rs. 10,323,422/- (Rs. 49,476,266/-), which is under settlement with Bank .
- C. ROC fees of increase in authorised share capital Rs. 3,52,22,305/- (Rs. 3,13,21,705/-).
- D. Bank Gurantee Rs. 2,00,000.00 issued to Unique Identification Authority of India. (Rs. 2,00,000)
- E. Service Tax demand Rs. 35,53,123/- against this Rs. 10,00,000/- paid. (Rs. 25,53,123/-)

**Note 23 - Payment to auditors**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Audit Fee for</b>		
-Statutory Audit	150,000	171,750

The Audit fee remains same for the current year, however the differece is on account of input tax credit GST available.

**Note 24 - Disclosure under Accounting Standard 17 - Segment Reporting**

(Amount in Rs.)

<b>Segment Information</b>				
<b>Particulars for the year ended 31st March, 2017</b>	<b>Business Segments</b>			<b>Total</b>
	<b>IT Solutions &amp; Products</b>	<b>IT Enabled Services</b>	<b>Telecommunication</b>	
Revenue	19,654,818	5,013,686	745,842,554	770,511,058
	59,168,449	11,237,741	1,793,942,470	1,864,348,659
Inter-Segment Revenue	-	-	-	-
<b>Total</b>	<b>19,654,818</b>	<b>5,013,686</b>	<b>745,842,554</b>	<b>770,511,058</b>
	59,168,449	11,237,741	1,793,942,470	1,864,348,659
<b>Segment Result</b>	<b>(324,028)</b>	<b>412,907</b>	<b>(18,641,136)</b>	<b>(18,552,257)</b>
	(1,509,471)	1,025,123	(11,521,422)	(12,005,769)
Interest				<b>32,116,623</b>
				(4,004,177)
				<b>(50,668,880)</b>
				(16,009,946)
Unallocable Expenses (net)				<b>17,935,507</b>
				(12,656,602)
<b>Operating Income</b>				<b>(68,604,387)</b>
				(28,666,548)
Other Income ( net)				<b>68,586,691</b>
				(14,029,791)
Extra ordinary & prior period itmes				-
				-
<b>Profit before tax</b>				<b>(17,696)</b>
				(14,636,757)
Tax Expenses				<b>25,130,382</b>
				(6,138,228)
Net Profit for the year				<b>25,112,686</b>
				(8,498,528)

**Note:**

- Primary Segmentation has been done according to the nature of product & services. The Company's Operations predominantly relate to the following segments:
  - IT Solution & Products (including software)
  - IT Enabled Services
  - Telecommunication
- There is no Inter division or Inter Segment transfer of goods.
- Since Fixed Assets used in the company's business cannot be specifically identified with any of the reportable segment, as these are used inter changeably among segments, therefore segment wise disclosure on capital employed has not been furnished.
- The Company caters mainly to the Domestic market and the Export turnover is not significant in the context of the total turnover. As such there are no geographical segments

**Note 25 - RELATED PARTY DISCLOSURES**

Description of Relationship	Names of Related Parties	Outstanding Balance As At 31st March, 2018
Ultimate Holding Company	No	
Holding Company	No	
Subsidiary Companies	Axis Convergence Inc Greenwire Network Limited Opentec Thai Network Specialists Limited	
Fellow Subsidiary Company	No	
Key Management Personnel (KMP)	Mr. Peeyush Kumar Aggarwal (Chairman & Managing Director) Mr. Rahul Meena (CEO)# Ms. Garima Singh (Company Secretary)	173,760,793 - -
Relatives of KMP	Mr. Sanjay Sharma (CFO)	-
Entities in which KMP/ Relatives of KMP can exercise significant influence	Omkam Global Capital Private Limited	(33,648,853)

**Note:**

1. Related Parties transactions during the year, have been identified by the management
2. Mr. Rahul Meena resigned as CEO of the Company w.e.f. 08/06/2017

Particulars	Omkam Global Capital Private Limited	Mr. Rahul Meena	Ms. Garima Singh	Mr. Sanjay Sharma
Sale of Goods	-	-	-	-
Purchase of Goods	-	-	-	-
Advance from Customers & Other Advances	(33,648,853)	-	-	-
Advance given	-	-	-	-
Remuneration to Directors & KMPs	-	383,809	230,802	782,500
Share Application Money Received	-	-	-	-
Share Application Money Refunded	-	-	-	-

**Note 26 - EARNINGS PER SHARE (EPS)**

Particulars	As at 31ST March 2018	As at 31 March 2017
<b>Basic</b>		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	25,112,685	(8,498,528)
Weighted Average number of equity shares used as denominator for calculating EPS	3,774,436,655	3,774,436,655
Basic Earnings per share	0.007	(0.002)
Face Value per equity share	1	1
<b>Diluted</b>		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	25,112,685	(8,498,528)
Weighted Average number of equity shares used as denominator for calculating EPS	3,774,436,655	3,774,436,655
Basic Earnings per share	0.0067	(0.002)
Face Value per equity share	1	1

**Note 27 - DEFERRED TAX**

(Amount in Rs.)

Particulars	As at 31ST March 2018	As at 31 March 2017	As at 31 March 2016
WDV As per Companies' Books	302,204,390	59,907,009	74,769,847
Depreciation as per Income Tax Act, 1961	215,202,254	6,805,532	7,649,314
Timing Difference B/w Depreciation as per Companies Act and Income Tax Act	87,002,136	53,101,477	67,120,533
Provision for Employee Benefit	3,109,886	3,305,261	3,231,700
Total	(83,892,250)	(49,796,216)	(63,888,833)
Closing DTA transferred to Profit & Loss account	(10,898,270)	6,138,228	114,260,099
Opening DTL	(15,972,419)	(22,110,647)	136,370,746
Deferred Tax Liability / (Assets) (Net)	(26,870,689)	(15,972,419)	(22,110,647)

**Note 28 :-**

Company had increased its authorised capital during the Financial Year 2010-11 to 2012-13, however, due to technical issues necessary forms along with the fees w.r.t. increase in Authorised Capital could not be filed and paid. Mean while the schedule of fees was increased as per the companies act, 2013. However, the authorised capital was increased prior to the applicability of companies act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014. Due to this reason Annual return form could not be filed.

**29 Explanation of transition to Ind AS**

These financial statements, for the year ended 31st March, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended 31st March, 2018, together with the comparative figures for the year ended 31st March, 2017, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016, i.e. the date of transition to Ind AS.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements for the year ended 31st March, 2017. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS:

- The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation, amortization and impairment), if any, adjusted by revaluation of certain assets.
- The Company has elected to continue with the carrying value of Capital work in progress as recognized under the previous GAAP as deemed cost as at the transition date.
- The Company has elected to continue with the carrying value for intangible assets (computer software) as recognized under the previous GAAP as deemed cost as at the transition date. Under the previous GAAP, Computer Software was stated at its original cost, net of accumulated amortization.
- Investment in subsidiaries  
The company has elected to adopt the carrying value under previous GAAP as on that of transition in it financial statement.
- Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'FVTOCI' on the basis of the facts and circumstances that existed at the date of transition to Ind AS. Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed as at the date of transition to Ind AS. However, since, the fair valuation has been done based on level 3 inputs, difference in fair value and cost as on the date of transition, if any has been deferred and has been considered and shown as "Deferred gain on changes in fair value of financial assets" under Other Non-Current Liabilities.
- The estimates as at 1st April, 2016 and as at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).
- Ind AS 101 requires the de-recognition requirements of Ind AS 109 to be applied prospectively to transactions occurring on or after the date of transition. Therefore, the Company has not recognized financial assets and liabilities under Ind AS which were derecognized under the previous GAAP as a result of a transaction that occurred before the date of transition.

## 29.2 Financial risk management objectives and policies

The Company's principal financial liability includes Borrowings, Trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash and cash equivalents and other financial assets that derive directly from its operations. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of these risks, which are summarized below:

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated payables on account of import and receivables of export value.

#### (iii) Commodity price risk

There is no commodity price risk, since the stock in hand of software is not subjected to any fluctuation. . And the Company anticipate to receive of favourable price for the same when delivered / sold.

#### (iv) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

#### (v) Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 60 to 90 days. An impairment analysis is performed at each balance sheet date on an individual basis for major clients.

#### (vi) Liquidity Risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations.

## 29.3 Employee Benefit

The company has contributed to PF and ESI Rs. 5,02,397/- ( Previous years 5,40,774/-).

Brief description of the Plans: The Company has various schemes for long term benefits such as Provident Fund, Gratuity, and Leave Encashment. The Company's defined contribution plans are Provident Funds, Employee's State Insurance Fund & Employee's Pension Scheme (under the provision of Provident Funds & Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions. The Company's defined benefit plans include Gratuity & Leave Encashment Plan. In accordance with the applicable Indian Laws, the company provides for gratuity for all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on respective employee's last drawn salary & for the years of employment with the Company. During the year company has computed his liability through Actuarial Valuar M/s Charan Gupta Consultants Pvt Ltd. The present value of obligation for Gratuity is determined based on actuarial valuation using the Projected Unit Credit Method. The additional disclosure in terms of Accounting Standards-15 "Employees Benefits" is as under:. The amounts charges to Profit & Loss Account based on estimated basis are as under:-



**Reconciliation of Opening & Closing balance of Obligation**

(Rs. In lacs)

Particulars	Gratuity A/c	Leave Encashment A/c
Obligation at the beginning of the year	16.89	16.16
Current Service Cost	2.37	0.32
Interest Cost	1.24	0.27
Actuarial (gain)/loss	(3.69)	(0.46)
Less: Benefits paid	--	2.00
<b>Obligation at the end of the year</b>	<b>16.81</b>	<b>14.29</b>

**Gratuity & other Post Employment benefit cost for the period**

Particulars	Gratuity A/c	Leave Encashment A/c
Current Service Cost	2.37	0.32
Interest Cost	1.24	0.27
Net Actuarial (gain)/loss recognized in the period	(3.69)	(0.46)
Expenses recognized in the statement of profit & losses	0.07	0.13

**29.4 In the absence of necessary information with the company, relating to the registration status of suppliers under the micro, small and medium enterprises development ACT, 2006, the information required under the said act could not be complied and disclosed.**

**29.5 The Company is already a holding company of the following:**

- Axis Convergence Inc
- Greenwire Network Limited
- Opentec Thai Network Specialists Company Limited

**29.6 Purchases of stock-in-trade:**

Amount (in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
IT SOLUTIONS & PRODUCTS	19,141,867	51,767,579
IT ENABLED SERVICES	4,187,921	9,222,681
TELECOMMUNICATION	738,914,454	1,776,757,619
<b>Total</b>	<b>762,244,242</b>	<b>1,837,147,879</b>

**29.7 Capital Management**

The Company's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017:

**29.8 Fair value**

- i) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value			Fair value		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
<b>Financial Assets</b>						
FVOCI financial instruments:	-	-	-	-	-	-
Unquoted equity shares Veom Infotec Pvt. Ltd.	-	45,000	45,000	-	1	1
Quoted equity Shares	-	-	-	-	-	-
<b>Total</b>	-	<b>45,000</b>	<b>45,000</b>	-	<b>1</b>	<b>1</b>

- a) The management assessed that cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- b) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- c) Long-term fixed-rate and variable-rate receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- d) Non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- e) The fair values of the unquoted equity shares have been estimated using a net asset value method.

**ii) Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:**

Fair value measurement using						(Amount in Rs.)
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
			(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value						
FVOCI financial			-	-	-	-
FVOCI financial instruments:			-	-	-	-
Unquoted equity shares	31-Mar-18		-	-	-	-
Quoted Equity Shares	31-Mar-18		-	-	-	-

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:**

Fair value measurement using					
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial		-	-	-	-
FVOCI financial instruments:		-	-	-	-
Unquoted equity shares	31-Mar-17	1	-	-	1
Quoted Equity Shares	31-Mar-17	-	-	-	-

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:**

Fair value measurement using					
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial		-	-	-	-
FVOCI financial instruments:		-	-	-	-
Unquoted equity shares	31-Mar-16	1	-	-	1
Quoted Equity Shares	31-Mar-16	-	-	-	-

**iii) Description of significant unobservable inputs to valuation:**

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2018, 31 March 2017 and 1 April 2016 are as shown below

S. No.	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	FVTOCI assets in unquoted equity shares	Net Asset Value#	-	-	-

# Since the financial statement of the company in which unquoted equity shares were held was not available, in the absence of same the fair value of unquoted equity shares has been taken as Re 1/-.

**29.9 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification/disclosure.**

As per our Audit Report of even date

For RMA & Associates LLP  
Chartered Accountants  
FRN No. : 000978N/N500062

Amit Jain  
Partner  
M.No.: 503109

Place : New Delhi  
Date : 31.05.2018

For and on behalf of the Board of Directors

Peeyush Aggarwal  
Chairman & Managing Director  
DIN : 00090423

Garima Singh  
Company Secretary

Sanjay Sharma  
Chief Financial Officer

### **30. SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of Compliance with Ind AS**

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statements. Accordingly, the financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP).

These financial statements for the year ended 31st March, 2018 are the first financial statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

#### **A. Basis of Accounting & Preparation of Financial Statements**

These financial statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

i) Certain financial assets and financial liabilities measured at fair value;

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

#### **B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

#### **C. Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)**

##### **Transition to Ind AS**

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP) under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Useful life of assets are considered on the basis of schedule-II of Companies Act 2013.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic

benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

#### **D. Leased Assets**

Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

#### **E. Intangible Assets**

##### **Transition to Ind AS:**

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, computer software was stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

#### **F. Depreciation and Amortisation**

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life. Intangible Assets are amortised over a period of 10 years considering the useful life of the underlying assets on

##### **Straight Line Basis.**

#### **G. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **H. Foreign Currency Transactions**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

#### **I. Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of

unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **Financial instruments**

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

#### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

##### **Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortised cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

### **Equity investments**

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### **De-recognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

### **J. Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, charges in bringing them to their respective present location and condition.

### **K. Revenue Recognition**

Revenue from Fixed Price Software Contracts is recognised principally on the basis of completed Milestones as specified in the contracts.

Software Development and Services are recognised on time basis as per terms of specified contracts

Sale of Software / Hardware products is recognised on the dispatch of goods from company's premises. No provision has been made for possible returns or expenses during the warranty period.

Income from Annual Maintenance Contracts, Web Hosting and Domain Registration are accounted for in the ratio of period expired to the total period of the contract and the amount received from the customers towards the un-expired portion of such contract is treated as advance received.

Interest Income is recognized on time proportion basis.

### **L. Employee Benefits**

- (a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- (b) Post employment benefits:

**Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

**Defined benefit plan:**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income

**Long term employment benefits**

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

**M. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**N. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised on all taxable temporary differences.



**O. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**P. Estimated fair value of unlisted securities**

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The Group uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Q. The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.**

## Independent Auditors' Report on Consolidated IND AS Financial Statements

To the Members

MPS Infotecnics Limited

Report on the Consolidated IND AS Financial Statements

We have audited the accompanying consolidated IND AS Financial Statements of MPS Infotecnics Limited ("the Holding Company") and its associated, joint controlled entities and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated IND AS Financial Statements").

### Management's Responsibility for the Consolidated IND AS Financial Statements

The Holding 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 consolidated IND AS Financial Statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income) and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the AS IND AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of consolidated IND AS Financial Statements by the directors of the company, as aforesaid..

### Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated IND AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated IND AS Financial Statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated IND AS Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated IND AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated IND AS Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated IND AS Financial Statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated IND AS Financial Statements.

- (d) In our opinion, the aforesaid consolidated IND AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated outside India, none of the Directors of the Group companies incorporated outside India is disqualified as on 31 March 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated IND AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 21 to the consolidated IND AS Financial Statements;
  - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated outside India

**Other Matter**

The consolidated financial statement include the Company's share of total assets Rs. 145,340,532/- And net loss of Rs. 38,640/- for the year ended March, 2018, as considered in the consolidated financial statement, in respect of Axis Convergence Inc, Greenwire Network Limited and Opentech Thai Network Specialities Company Limited, whose financial statement, other financial information have been furnished to us by the management,. Our opinion, in so far as it related amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these IND AS Financial Statements and other financial information are not material to the group.

**For M/s. RMA & Associates LLP**

**Chartered Accountants**

**Firm Reg. No.: 000978N/N500062**

**Amit Jain**

**Partner**

**M. No. 503109**

**Place: - New Delhi**

**Date : 31st May 2018**

**Annexure - A to the Auditors' Report**

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

In conjunction with our audit of the consolidated IND AS Financial Statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of MPS Infotechncs Limited ("the Holding Company") and its subsidiary companies which are companies incorporated outside India, as of that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS 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 IND AS 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 IND AS 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 IND AS 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 Holding Company and its subsidiary companies, which are companies incorporated outside India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 ICAI.

**For M/s. M/s. RMA & Associates LLP**  
**Chartered Accountants**

**Firm Reg. No.: 000978N/N500062**

**Amit Jain**

**Partner**

**M. No. 503109**

**Place: - New Delhi**

**Date : 31st May 2018**

**Consolidated Balance Sheet as at 31st March, 2018**

(Amount in Rs.)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2016
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
PROPERTY, PLANT AND EQUIPMENT	1	245,162	4,567,987	9,930,825
CAPITAL WORK IN PROGRESS		-	-	-
INVESTMENT PROPERTY		-	-	-
GOODWILL		616,910,728	616,910,728	616,910,728
INTANGIBLE ASSETS	1	301,959,228	55,339,022	64,839,022
INTANGIBLE ASSETS UNDER DEVELOPMENT	1	564,439,755	826,014,755	826,014,755
<b>FINANCIAL ASSETS</b>				
INVESTMENTS	2	4,196	3,710	3,710
LOANS		-	-	-
OTHER FINANCIAL ASSETS		-	-	-
DEFERRED TAX ASSETS (NET)		-	-	-
OTHER NON CURRENT ASSETS	3	2,236,747,723	2,247,142,221	2,239,851,813
<b>TOTAL NON CURRENT ASSETS</b>		<b>3,720,306,793</b>	<b>3,749,978,423</b>	<b>3,757,550,853</b>
<b>CURRENT ASSETS</b>				
INVENTORIES	4	623,171,983	622,309,889	624,489,889
FINANCIAL ASSETS		-	-	-
TRADE RECEIVABLES	5	361,478,116	513,603,477	517,849,178
CASH AND CASH EQUIVALENTS-OWNED FUND	6(a)	697,191	81,497	253,878
BANK BALANCES & LOANS	6(b)	349,177,437	351,430,634	352,624,293
OTHER FINANCIAL ASSETS		-	-	-
CURRENT TAX ASSETS (NET)		-	-	-
OTHER CURRENT ASSETS	7	38,705,736	45,826,275	49,699,948
<b>TOTAL CURRENT ASSETS</b>		<b>1,373,230,463</b>	<b>1,533,251,772</b>	<b>1,544,917,186</b>
<b>TOTAL ASSETS</b>		<b>5,093,537,256</b>	<b>5,283,230,196</b>	<b>5,302,468,039</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY AND LIABILITIES</b>				
EQUITY SHARE CAPITAL	8	3,774,436,655	3,774,436,655	3,774,436,655
OTHER EQUITY	9	814,101,602	788,416,995	799,189,831
<b>TOTAL EQUITY</b>		<b>4,588,538,257</b>	<b>4,562,853,650</b>	<b>4,573,626,486</b>
<b>LIABILITIES</b>				
<b>NON CURRENT LIABILITIES</b>				
<b>FINANCIAL LIABILITIES</b>				
BORROWINGS	10	17,119,619	15,321,000	16,307,506
DEFERRED TAX LIABILITY (NET)		26,870,689	15,972,419	22,110,647
OTHER NON CURRENT LIABILITIES		-	-	-
		<b>43,990,307</b>	<b>31,293,419</b>	<b>38,418,153</b>
<b>CURRENT LIABILITIES</b>				
<b>FINANCIAL LIABILITIES</b>				
BORROWINGS	11	205,726,728	220,590,619	249,732,261
TRADE PAYABLES		129,924,457	149,629,088	139,462,215
OTHER FINANCIAL LIABILITIES		-	-	-
PROVISIONS	12	5,660,879	41,413,986	38,426,396
OTHER CURRENT LIABILITIES	13	119,696,627	277,449,450	262,802,526
CURRENT TAX LIABILITY		-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>461,008,691</b>	<b>689,083,143</b>	<b>690,423,398</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,093,537,256</b>	<b>5,283,230,196</b>	<b>5,302,468,039</b>
NOTES ON FINANCIAL STATEMENTS	1-29			
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As per our Audit Report of even date

For RMA & Associates LLP  
Chartered Accountants  
FRN No. : 000978N/N500062

For and on behalf of the Board of Directors

Amit Jain  
Partner  
M.No.: 503109

Peeyush Aggarwal  
Chairman & Managing Director  
DIN : 00090423

Place : New Delhi  
Date : 31.05.2018

Garima Singh  
Company Secretary

Sanjay Sharma  
Chief Financial Officer

**Consolidated Statement of Profit & Loss for the year ended 31st March, 2018**

(Amount in Rs.)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
<b>REVENUE</b>			
REVENUE FROM OPERATIONS	13	777,673,050	2,032,814,840
OTHER INCOME	14	68,586,691	14,574,152
<b>TOTAL REVENUE</b>		<b>846,259,741</b>	<b>2,047,388,992</b>
<b>EXPENDITURE</b>			
PURCHASE OF STOCK -IN -TRADE & SERVICES		769,318,758	2,003,642,487
CHANGE IN INVENTORIES	15	(862,095)	2,180,000
EMPLOYEE BENEFIT EXPENSES	16	15,160,548	19,467,571
FINANCE COST	17	32,116,623	4,004,177
DEPRECIATION & AMORTISATION EXPENSES		16,253,010	10,684,012
OTHER EXPENSES	18	14,329,233	22,381,004
<b>TOTAL EXPENDITURE</b>		<b>846,316,077</b>	<b>2,062,359,251</b>
<b>PROFIT BEFORE TAX</b>		<b>(56,336)</b>	<b>(14,970,259)</b>
TAX EXPENSES			
- CURRENT TAX		-	-
- EARLIER YEARS (NET)		36,028,651	
- DEFERRED TAX (NET)		10,898,270	(6,138,228)
<b>PROFIT AFTER TAX</b>		<b>25,074,045.35</b>	<b>(8,832,031)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		368,691	-
- GAIN OR LOSS ARISING ON FAIR VALUATION OF EQUITY INSTRUMENT		-	(44,999)
<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>		<b>368,691</b>	<b>(44,999)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>25,442,736</b>	<b>(8,877,030)</b>
<b>"EARNING PER SHARE (EQUITY SHARE OF RS 10/- EACH) - BASIC &amp; DILUTED"</b>		<b>0.01</b>	<b>(0.002)</b>
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		3,774,436,655	3,774,436,655

Nature of Adjustments	Year Ended March 31, 2017
<b>Profit &amp; Loss as per IGAAP</b>	(12,037,312)
Prepaid Interest on Security Deposit	25,518
Interest Income Staff Loan (Amortisation)	282
Prior Period Income	-
Prior Period Expense	525,369
Purchases of Stock	(362,524)
Prepaid Expenses on Security Deposit	(25,518)
Interest Expenses Staff Loan Amortisation	(282)
Tax Adjustments - Deferred Tax	3,042,436
<b>Other Comprehensive Income</b>	
Gain or Loss arising out of Fair Valuation of Equity Instrument	(44,999)
<b>Profit &amp; Loss as per IND AS</b>	<b>(8,877,030)</b>

As per our Audit Report of even date

For RMA & Associates LLP  
Chartered Accountants  
FRN No. : 000978N/N500062

For and on behalf of the Board of Directors

Amit Jain  
Partner  
M.No.: 503109

Peeyush Aggarwal  
Chairman & Managing Director  
DIN : 00090423

Place : New Delhi  
Date : 31.05.2018

Garima Singh  
Company Secretary

Sanjay Sharma  
Chief Financial Officer

**Consolidated Cash Flow Statement for the year ended 31st March, 2018**

(Amount in Rs.)

Particulars	As At 31-03-18	As At 31-03-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(56,336)	(14,970,259)
Adjustment for :		
Depreciation & Amortisation	16,253,010	10,684,012
Due to Change as per Ind As -adjustment of prior period items	-	-
Leave Encashment	(187,485)	12,092
Gratuity	(7,890)	61,469
Comprehncive Income	413,690	-
Provision for Expenses	470,919	-
Provision for Income Tax & Interest on Income Tax A.Y. 2013-14	-	2,914,029
Interest & Other Costs	32,116,623	4,004,177
Prior Period Item	-	-
Interest Received	(298,924)	(301,713)
(Profit) / Loss on sale of Fixed Assets	(68,062,392)	(13,603,610)
Amount Transferred from General Reserve	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(19,358,785)</b>	<b>(11,199,803)</b>
(Increase)/Decrease in Current Assets	158,383,806	10,299,374
Increase/(Decrease) in Current Liabilities	(192,321,345)	(4,327,845)
<b>Net Cash from Operating Activities (A)</b>	<b>(53,296,325)</b>	<b>(5,228,274)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(261,587,999)	(554,098)
Sale of Fixed Assets	71,100,000	18,336,500
Change in Capital WIP	261,575,000	-
Interest Received	298,924	301,713
Long term Loans & Advances	10,394,498	(7,290,408)
<b>Net Cash Outflow in Investing Activities (B)</b>	<b>81,780,423</b>	<b>10,793,707</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares	-	-
Share Application Money Received	-	-
Increase / ( Decrease) in Long Term Borrowings	1,798,619	(986,506)
Prior Period Item	-	-
Interest Paid	(32,116,623)	(4,004,177)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>(30,318,004)</b>	<b>(4,990,683)</b>
<b>Foreign Currency Translation Reserve</b>	196,872	(1,940,806)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(1,834,375)</b>	<b>(1,747,036)</b>
<b>Cash and Cash Equivalent as at 01/04/2017</b>	<b>351,512,131</b>	<b>355,199,972</b>
<b>Cash and Cash Equivalent as at 31/03/2018</b>	<b>349,874,627</b>	<b>351,512,131</b>

**Notes:**

- Comparative figures have been regrouped wherever necessary.
- The cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard – 3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006.
- These earmarked account balances with banks can be utilised only for the specific identified purposes.
- Bank Balance as shown in cash and Cash Equivalents amounting to Rs. 34,78,92,163 in Banco Efisa bank in Potugal is not available for use, because the bank has Debited the account by same amount, the matter is in court of Law.

**As per our Audit Report of even date**

**For RMA & Associates LLP**  
Chartered Accountants  
FRN No. : 000978N/N500062

**Amit Jain**  
Partner  
M.No.: 503109

**Place :** New Delhi  
**Date :** 31.05.2018

**For and on behalf of the Board of Directors**

**Peeyush Aggarwal**  
Chairman & Managing Director  
DIN : 00090423

**Garima Singh**  
Company Secretary

**Sanjay Sharma**  
Chief Financial Officer

Statement of changes in Equity FOR THE YEAR ENDED 31ST MARCH, 2016						
Particulars	Equity Share Capital	Other equity			Total	"Total Equity & Other Equity"
		Reserve & surplus		"Other Comprehensive Income"		
		Retained Earning	General Reserve			
Balance as of April 1,2016	3774436655	747,732,715	51,457,116		799189831	4573626486
"Changes In equity for the year ended March 31,2017"	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ assets.net of tax effect	-	-	-	-	-	-
Profit (Loss) for the Period & Exchange Rate Reserve	-	(10,772,836)			(10,772,836)	(10,772,836)
Balance as of March 31, 2017	3,774,436,655	736,959,879	51,457,116	-	788,416,995	4,562,853,650

Statement of changes in Equity FOR THE YEAR ENDED 31ST MARCH, 2017						
Particulars	Equity Share Capital	Other equity			Total	"Total Equity & Other Equity"
		Reserve & surplus		"Other Comprehensive Income"		
		Retained Earning	General Reserve			
Balance as of April 1,2017	3,774,436,655	736,959,879	51,457,116		788,416,995	4,562,853,650
"Changes In equity for the year ended March 31,2017"	-				-	-
Remeasurement of the net defined benefit liability/ assets.net of tax effect	-	-	-	413,690	413,690	413,690
Profit (Loss) for the Period & Exchange Rate Reserve	-	25,270,917			25,270,917	25,270,917
Balance as of March 31, 2017	3,774,436,655	762,230,796	51,457,116	413,690	814,101,602	4,588,538,257

As per our Audit Report of even date

**For RMA & Associates LLP**  
Chartered Accountants  
FRN No. : 000978N/N500062

**Amit Jain**  
Partner  
M.No.: 503109

**Place** : New Delhi  
**Date** : 31.05.2018

For and on behalf of the Board of Directors

**Peeyush Aggarwal**  
Chairman & Managing Director  
DIN : 00090423

**Garima Singh**  
Company Secretary

**Sanjay Sharma**  
Chief Financial Officer



**Balance Sheet as at 31st March 2018**

**Note on Financial Statements**

**1. Reconciliations**

The following reconciliations provide the effect of transition to IND AS from IGAPP in accordance with IND AS 101:-  
**1.1 Equity as at 01.04.2016 and 31.03.2017 as Previously Reported under INDIAN GAAP to IND AS**

Particulars	As at 31.03.2017 IGAAP	IND ADJ	As at 31.03.2017 IND AS	As at 01.04.2016 IGAAP	IND ADJ	As at 01.04.2016 IND AS
<b>I. ASSETS</b>						
<b>1 Non-Current Assets</b>						
Fixed Assets						
(i) Tangible Assets	4,567,987	-	4,567,987	9,930,825	-	9,930,825
(ii) Intangible Assets	55,339,022	-	55,339,022	64,839,022	-	64,839,022
(iii) Capital Work-in-Progress	826,014,755	-	826,014,755	826,014,755	-	826,014,755
Goodwill	616,910,728	-	616,910,728	616,910,728	-	616,910,728
Non-Current Investments	48,709	44,999	3,710	48,709	44,999	3,710
Other Non Current Assets	2,246,664,323	(477,899)	2,247,142,221	2,238,921,461	(930,352)	2,239,851,813
<b>2 Current assets</b>						
(a) Inventories	622,309,889	-	622,309,889	624,489,889	-	624,489,889
(b) Trade Receivables	513,603,478	1	513,603,477	517,832,178	(17,000)	517,849,178
(c) Cash and Cash Equivalents Owned Fund	81,497	-	81,497	253,878	-	253,878
(d) Bank Balance and Loans	351,430,634		351,430,634	352,624,293	-	352,624,293
(e) Other Current Assets	46,304,184	477,898	45,826,275	50,630,298	930,352	49,699,948
<b>II. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' Funds</b>						
(a) Share Capital	3,774,436,655	-	3,774,436,655	3,774,436,655	-	3,774,436,655
(b) Reserves and Surplus	674,832,821	(113,584,174 )	788,416,995	688,810,939	(110,378,892 )	799,189,831
<b>2 Non-Current Liabilities</b>						
(a) Long-Term Borrowings	15,321,000	-	15,321,000	16,307,506	-	16,307,506
(b) Deferred Tax Liabilities	129,964,115	113,991,696	15,972,419	133,059,907	110,949,260	22,110,647
(c) Other Non Current Liabilities	-	-	-	-	-	-
<b>3 Current Liabilities</b>						
(a) Short Term Borrowings	220,590,619	-	220,590,619	249,732,261	-	249,732,261
(b) Trade Payables	149,266,564	(362,524)	149,629,088	138,919,846	(542,369)	139,462,215
(c) Short-Term Provisions	276,980,019	(469,431)	277,449,450	262,802,526	-	262,802,526
(d) Other Current Liabilities	41,883,417	469,431	41,413,986	38,426,396	-	38,426,396
<b>Total</b>	<b>5,283,275,209</b>	<b>44,999</b>	<b>5,283,230,196</b>	<b>5,302,496,035</b>	<b>27,999</b>	<b>5,302,468,039</b>

**Note:**

- A: Application of IND AS 12, Balance sheet approach
- B: Trade Payable has decreased , as prior period purchase debited in 2018 has been adjusted and purchase of 2017 has increased along with increase in trade payable
- C: Investment has been valued based on net worth of the company in which investments are held, since the networth of the company in which investment held is negative, fair value has been taken as nil. But shares has not been disposed, a nominal value of Re. 1 has been taken
- D: Staff loan fair valuation, deferred cost, IND AS adjustments
- E: Adjustment for: Deferred cost on staff advance, Prepaid Rent on Security Deposit, Security Deposits, Security Deposit Ammortisation Adjustment (Note 8 B)  
 \* Security deposits has been taken to non current as it is a non current asset and has to be adjustment after 12 months from the closing date.

**1.2 Reconciliation of total comprehensive income as at 31.03.2017 as previously reported under Indian GAAP to IND AS**

<b>Nature of Adjustments</b>	<b>Year Ended March 31, 2017</b>
Profit & Loss as per IGAAP	(12,037,312)
Prepaid Interest on Security Deposit	25,518
Interest Income Staff Loan (Amortisation)	282
Prior Period Income	-
Prior Period Expense	525,369
Purchases of Stock	(362,524)
Prepaid Expenses on Security Deposit	(25,518)
Interest Expenses Staff Loan Amortisation	(282)
Tax Adjustments - Deffered Tax	3,042,436
Other Comprehensive Income	
Gain or Loss arising out of Fair Valuation of Equity Instrument	(44,999)
Profit & Loss as per IND AS	(8,877,030)

Schedule of Depreciation as per Schedule II of Companies Act, 2013

Note 2 - Fixed Assets

(Amount In Rs.)

Description	RATE	Gross Block			Depreciation / Amortization			Net Block			
		As At 01.04.2017	Additions / Adjust- ments	Deduc- tions / Adjust- ments	As At 31.03.2018	As At 01.04.2017	For the Year	Write off through reserve	Deduc- tions / Adjust- ments	As At 31.03.2018	As At 31.03.2017
<b>A. PROPERTY PLANT &amp; MACHIN- ERY :</b>											
Building	1.63%	3,900,000	-	3,900,000	-	41,464	-	862,424	-	-	3,079,040
Plant & Machinery	16.21%	34,326,883	-	34,326,883	-	272,765	-	-	34,289,235	37,648	310,413
- Computers and Peripherals	4.75%	14,306,415	12,999	13,943,274	-	308,604	-	-	14,251,878	67,536	363,141
Vehicles	9.50%	5,206,584	-	4,865,454	-	213,593	-	-	5,079,047	127,537	341,130
Furniture & Fixtures	6.33%	15,539,164	-	15,064,901	-	461,821	-	-	15,526,722	12,442	474,263
Sub Total (A)		73,279,046	12,999	3,900,000	69,392,045	1,298,248	-	862,424	69,146,883	245,162	4,567,987
<b>B. INTANGIBLE ASSETS :</b>											
Goodwill	10.00%	2,800,000	-	2,800,000	-	-	-	-	2,800,000	-	-
Software	10.00%	95,000,000	261,575,000	356,575,000	39,660,978	14,954,795	-	-	54,615,773	301,959,228	55,339,022
Sub Total (B)		97,800,000	261,575,000	3,900,000	359,375,000	14,954,795	-	-	57,415,773	301,959,228	55,339,022
Total (A+B)		171,079,046	261,587,999	3,900,000	428,767,045	111,172,037	16,253,043	-	862,424	302,204,390	59,907,011
<b>C. CAPITAL WORK IN PROGRESS</b>											
Capital Work-in- Progress (including Advances on Capital Account)		826,014,755	-	261,575,000	564,439,755	-	-	-	-	564,439,755	826,014,755
Grand Total A+B+C		997,093,801	261,587,999	265,475,000	993,206,800	111,172,037	16,253,043	-	862,424	866,644,145	885,921,764

Note :

- The Company has developed or customized various computer software in house. The company has source code for all these software and has all the rights over the product. However there is no formal registration of PR. The company has shown these software under the sub-head "Software" under the head "Intangible" in its financial statements and the same is certified by the management. Capital WIP includes various software product under developed / developed which also includes software with third party for development/modification. During the year, the Company has received software product worth Rs. 5.50 Crores as sales return which was sold in the previous year.
- During the financial year 2013-14, the Company transferred softwares (under the head Intangible Assets in Fixed Assets) amounting to Rs. 62.23 crores into stock in trade at WDV as on 01/04/2013. The management of the company has decided to sell these various software products in the market.

**Notes on Financial Statements for the Year ended 31st March, 2018**

(Amount in Rs.)

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>3</b>	<b>NON-CURRENT INVESTMENTS</b>			
	<b>In Equity Shares of Subsidiaries Companies</b>			
	Axis Convergence Inc -20000 Equity Share (20000E.S.)	-	-	-
	Greenwire Network Ltd.-25641 Equity Share(25641 E.S.)	-	-	-
	Opentec Thai Network Specialists Co. Limited-129995 Equity Shares (129995 E.S.)	-	-	-
	<b>Others</b>			
	Veom Infotech Pvt. Ltd.- 4500 Equity shares (4500E.S.)	-	1	1
	Investment By Subsidiaries Cos.	4,196	3,709	3,709
	<b>Total</b>	<b>4,196</b>	<b>3,710</b>	<b>3,710</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>4</b>	<b>OTHER NON CURNRET ASSETS</b>			
	<b>a. LONG-TERM LOANS &amp; ADVANCES</b>			
	Advances with Tax Authorities	14,726,488	15,462,226	14,386,286
	Other Loans and Advances	2,221,989,847	2,231,202,098	2,224,535,175
	<b>Total (a)</b>	<b>2,236,716,335</b>	<b>2,246,664,324</b>	<b>2,238,921,461</b>
	<b>b. OTHER NON CURRENT ASSETS</b>			
	Deferred cost on staff advance	-	564	820
	Prepaid Rent on Security Deposit	31,388	56,031	149,828
	Security Deposits	-	477,334	929,532
	<b>Security Deposit Ammortisation Adjustment</b>	<b>-</b>	<b>(56,031)</b>	<b>(149,828)</b>
	<b>Total (a)</b>	<b>31,388</b>	<b>477,897</b>	<b>930,352</b>
	<b>Total (a) + (b)</b>	<b>2,236,747,723</b>	<b>2,247,142,221</b>	<b>2,239,851,813</b>

**Notes :**

- Other Loans & Advances are subject to balance confirmation.
- During the financial year 2013-14, due to change in business plan and consequential amendment in terms, Capital Advances amounting to Rs. 220 Crore has been taken as long term advances and included in Other Loans & Advances.

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>5</b>	<b>INVENTORIES</b>			
	Stock-in-Trade	623,171,983	622,309,889	624,489,889
	<b>Total</b>	<b>623,171,983</b>	<b>622,309,889</b>	<b>624,489,889</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>6</b>	<b>TRADE RECEIVABLES</b>			
	(Unsecured & Considered Good)			
	Over Six Months	302,251,231	356,332,337	358,779,844
	Others	59,226,885	157,271,140	159,069,334
	<b>Total</b>	<b>361,478,116</b>	<b>513,603,477</b>	<b>517,849,178</b>

**Notes :-** Trade Receivables subject to balance confirmation. The management considers the same is good and recoverable.

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>7 (a)</b>	<b>CASH BALANCES</b>			
	Cash in hand	697,191	81,497	253,878
	Total (a)	697,191	81,497	253,878
<b>7 (b)</b>	<b>BANK BALANCES</b>			
	Balances with Banks	850,273	793,471	1,987,130
	Fixed Deposits with Banks	435,000	2,745,000	2,745,000
	Balances with Foreign Bank - Banco Efisa	347,892,163	347,892,163	347,892,163
	Total (b)	349,177,437	351,430,634	352,624,293
	<b>Total (a) (b)</b>	<b>349,874,628</b>	<b>351,512,131</b>	<b>352,878,171</b>

**Notes :-**

1 The funds raised by the Company from GDR issue during F.Y. 2007-08 were kept in fixed deposit account with Banco Efisa, Lisbon, Portugal, as the said amount was to be deployed in terms of INFORMATION MEMORANDUM of the GDR issue. During the F.Y. 2008-09, the Bank in Portugal, Banco Efisa wrongly debited an amount of USD 8,883,210.75 out of the balance lying in the Company's Account with the Bank. The Company has denied and disputed this debit and had initiated legal action under criminal jurisprudence of Portuguese Law. During the criminal investigation, several new facts/documents have come to our knowledge and based on the evaluation of new facts/documents by Barristers, Senior Advocates and investigation carried out in India, London and Portugal; your Company has initiated a strong civil action for recovery of USD 8,883,210.75, along with interest, against Banco Efisa and its Holding Company, wherein the Portuguese advocates confirm that the chances of recovery are very high.

2 Bank guarantee issued to Unique Identification Authority of India Rs. 200,000/-

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>8</b>	<b>OTHER CURRENT ASSETS</b>			
	<b>SHORT TERM LOANS &amp; ADVANCES</b>			
	Advances to Staff	104,000	236,816	47,480
	Staff Loan Amortisation Adj.		(564)	(820)
	Advance to Suppliers	33,140,282	38,514,246	42,606,617
	Advance with Tax Authorities	312,752	649,120	1,350,295
	TDS Receivable - A.Y. 2013-14	-	-	-
	Advance Tax- A.Y. 2013-14	-	-	-
	<b>MAT Credit Entitlement</b>			
	Total (a)	33,557,034	39,399,618	44,003,572
	<b>OTHER CURRENT ASSETS</b>			
	Security Deposits	501,334	-	-
	Security Deposit Ammortisation Adjustment	(31,388)	-	-
	Prepaid Expenses	4,303,749	4,674,714	4,175,656
	Interest accrued but not due	375,007	1,751,943	1,520,720
	<b>Total (b)</b>	<b>5,148,702</b>	<b>6,426,657</b>	<b>5,696,376</b>
	<b>Total (a) + (b)</b>	<b>38,705,736</b>	<b>45,826,275</b>	<b>49,699,948</b>

**Notes :-**

1 Other Loans & Advances, Advance to suppliers are subject to balance confirmation, however these loans and advances are good and recoverable.

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
<b>9</b>	<b>SHARE CAPITAL</b>			
	<b>Equity Share Capital</b>			
	Authorised Share Capital :	3,775,000,000	3,775,000,000	3,775,000,000
	3,775,000,000 Equity Share of Re.1/- each			
	(Previous Year 3,775,000,000 equity share of Re. 1/- each)			
<b>(a)</b>	Issued, Subscribed & Paid Up Share Capital :	3,774,436,655	3,774,436,655	3,774,436,655
	(377,44,36,655 Equity Shares of Re. 1/- each Includes 102,404,764 Equity Shares Consequent to issue of 46,54,762 GDR vide information Memorandum Dated December 4 , 2007)			
	<b>Total</b>	<b>3,774,436,655</b>	<b>3,774,436,655</b>	<b>3,774,436,655</b>

**Notes:**

- The Company has only one class of equity shares having a par value of Re.1/- each per share. Each holder of equity share is entitled to one vote per share.
- In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company after discharging the liabilities of the Company.
- The Company had increased the authorized capital during the Financial Year 2010-11 to 2012-13, however due to technical issues necessary forms along with the fees w.r.t. increase in Authorised Capital, could not be filed and paid. Measwhile the schedule of fees was increased as per the companies act, 2013. However, the authorised capital was increased prior to the applicability of companies act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi, challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014 and the same is pending adjudication.

**The Details of Shareholders holding more than 5 % shares :**

Name of the Shareholder	31st March, 2018		31st March, 2017		31st March, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Mr. Peeyush Aggarwal	786,750,193	20.844%	786,750,193	20.844	786,750,193	20.844
Omkam Capital Markets Pvt. Ltd.	341,000,000	9.034%	341,000,000	9.034	341,000,000	9.034
Omkam Global Capital Pvt. Ltd.	138,562,036	3.671%	298,562,036	7.910	298,562,036	7.910
Omkam Securities Markets Pvt. Ltd.	92,000,000	2.437%	242,000,000	6.412	242,000,000	6.412

**The reconciliation of the number of shares outstanding is set out as below :**

Particulars			
Equity Shares at the beginning of the year	3,774,436,655	3,774,436,655	3,774,436,655
Add: Shares issued on conversion of convertible warrants	-	-	-
Add: Shares issued as Bonus Shares	-	-	-
Equity Shares at the end of the year	3,774,436,655	3,774,436,655	3,774,436,655

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
10	<b>Other Equity</b>			
	<b>a. Reserves &amp; Surplus</b>			
	Capital Reserve	51,457,116	51,457,116	51,457,116
	Securities Premium Reserve	899,102,506	899,102,506	899,102,506
	General Reserve	54,570,009	54,570,009	54,570,009
	Foreign Currency Translation Reserve	37,043,078	36,846,206	38,787,012
	(Less):-			
	Deficit in earlier year	(253,513,843)	(244,681,813)	(355,354,506)
	Deficit during the year	25,074,045	(8,832,030)	110,672,693
		813,732,911	788,461,994	799,234,830
	<b>b. Other Comprehensive Income</b>			
	Items that will not be subsequently reclassified to OCI	-	-	-
	Remeasurements of Defined Benefit Liability	368,691	-	-
Gain or Loss arising out of Fair Valuation of Equity Instrument		(44,999)	(44,999)	
<b>Total (a+b)</b>	<b>814,101,602</b>	<b>788,416,995</b>	<b>799,189,831</b>	

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
11	<b>LONG TERM BORROWINGS</b>			
	<b>Secured</b>			
	Loans from Other Banks & Institution	17,119,619	15,321,000	16,307,506
	<b>Total</b>	<b>17,119,619</b>	<b>15,321,000</b>	<b>16,307,506</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
12	<b>SHORT TERM BORROWING</b>			
	Secured			
	Working Capital Loan from Allahabad Bank	26,600,000	42,934,578	88,774,896
	Unsecured			
	Others	179,126,728	177,656,041	160,957,365
	<b>Total</b>	<b>205,726,728</b>	<b>220,590,619</b>	<b>249,732,261</b>

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
13	<b>SHORT TERM PROVISIONS</b>			
	Provision for Income Tax	2,080,074	24,899,527	25,222,436
	Provision for Interest on Income Tax A.Y. 2013-14	-	13,209,198	9,972,260
	Provisions for Employees Benefits - Leave Encashment	1,428,536	1,616,021	1,603,929
	Provisions for Employees Benefits - Gratuity	1,681,350	1,689,240	1,627,771
	Provisions for Expenses	470,919	-	-
	<b>Total</b>	<b>5,660,879</b>	<b>41,413,986</b>	<b>38,426,396</b>

**Note:-** Working Capital Loans from Allahabad Bank and Loans from Phoenix ARC Pvt. Ltd. are secured by way of charge on movable and immovable properties of the Company.

- (i) Company has entered into an OTS for a sum of Rs. 11,86,50,000.00 with Allahabad Bank as on 14.01.2016 and paid a sum of Rs. 10,27,40,318/- till 31.05.2017 and further re entered into an OTS of Rs. 266.00 Lacs and paid Rs. 13.30 Lacs.
- (ii) Other Unsecured loans included a sum of Rs. 173,760,793/- from directors.

Note No	Particulars	31/03/2018	31/03/2017	31/03/2016
14	<b>OTHER CURRENT LIABILITIES</b>			
	Interest Payable	-	-	-
	Advance from customers	58,396,799	222,016,962	209,000,454
	Other Payables	61,299,828	55,432,488	53,802,072
	<b>Total</b>	<b>119,696,627</b>	<b>277,449,450</b>	<b>262,802,526</b>

**Note:-** Other payable includes Rs.4.88 Crores towards ROC fees in connection with increase in Authorised share capital from Rs. 52.45 Crores to Rs. 377.50 Crores in various EGMs held and Merger through Court orders held during the Period from FY 2010-11 to FY 2012-13. Kindly refer Note No. 1 (3) under the head "Share Capital" Trade Payables are subject to balance confirmation.

Note No	Particulars	31/03/2018	31/03/2017
15	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products & Services	777,673,050	2,032,814,840
	<b>Total</b>	<b>777,673,050</b>	<b>2,032,814,840</b>

Note No	Particulars	31/03/2018	31/03/2017
16	<b>OTHER INCOME</b>		
	Miscellaneous Income	225,375	643,029
	Profit on sale of Fixed Assets	68,062,392	13,603,610
	Prepaid Income on Security Deposit	31,388	25,518
	Interest Income Staff Loan (Amortisation)	-	282
	Interest income	298,924	301,713
	<b>Total</b>	<b>68,586,691</b>	<b>14,574,152</b>

Note No	Particulars	31/03/2018	31/03/2017
17	<b>CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
	Opening Stock	622,309,889	624,489,889
	Less: Closing Stock	623,171,984	622,309,889
	<b>Total</b>	<b>(862,095)</b>	<b>2,180,000</b>

Note No	Particulars	31/03/2018	31/03/2017
<b>18</b>	<b>EMPLOYEE'S BENEFIT EXPENSES</b>		
	Salaries and Wages	14,245,494	17,832,894
	Director's Remuneration	-	391,225
	Contribution to Provident and Other Funds	502,397	540,774
	Staff Welfare Expenses	412,657	702,396
	Interest Expense Staff Loan (Amortisation)		282
	<b>Total</b>	<b>15,160,548</b>	<b>19,467,571</b>

Note No	Particulars	31/03/2018	31/03/2017
<b>19</b>	<b>FINANCE COST</b>		
	Interest Expenses	32,116,623	4,004,177
	<b>Total</b>	<b>32,116,623</b>	<b>4,004,177</b>

Note No	Particulars	31/03/2018	31/03/2017
<b>20</b>	<b>OTHER EXPENSES</b>		
	Advertisement and Publicity	106,721	61,309
	AGM / Board Meeting Expenses	8,040	12,620
	Audit Fees	169,482	434,843
	Bank Charges	185,814	199,740
	Business Promotion Expenses	114,330	69,743
	Commission	644,068	-
	Communication Expenses	485,890	1,048,628
	Conveyance Expenses	494,406	647,203
	Exchange Rate Fluctuation	36,423	30,631
	Insurance Premium	45,238	10,920
	Legal & Professional Charges	1,006,181	1,749,853
	Listing Fees	1,502,736	1,371,804
	Donation and Diwali Expenses	-	101,900
	Power, Fuel & Water Charges	798,437	819,404
	Printing & Stationery	119,054	181,663
	Rates & Taxes	5,295,635	10,036,031
	Rent Charges	2,223,336	2,278,336
	Repair & Maintenance Charges	369,812	532,146
	Security Service Charges	249,000	228,000
	Subscription & Membership Fees	42	3,128
	Short & Excess	5,005	158,285
	Server Rentals	205,010	2,047,390
	Travelling & Tour Expenses -Others	74,658	116,451
	Vehicle Running & Maintenance	189,914	215,459
	Prepaid Expense on Security Deposit		25,518
	<b>Total</b>	<b>14,329,233</b>	<b>22,381,004</b>



**Note 21 - Disclosure Under Accounting Standard 11- Transactions occurred in Foreign Currency**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Import/Export in Foreign Currency</b>		
FOB Value of Export	73,796	2,064,345
Value of Imports	1,655,730	2,924,636
<b>Expenditure in Foreign Currency</b>	-	-
<b>Profit and (Loss) Foreign Exchange Fluctuation</b>		
Net Profit / (Loss) in Foreign Exchange Fluctuation	(36,423)	(30,237)

The company has received Rs. 68,127,269 in USD towards sale of Airtime within India.

**Note 22 - Disclosure under Accounting Standard 29 - Contingent Liabilities**

**A. Dues of Income Tax**

A. Dues of Income Tax

- a) A.Y. 2006-07 Rs. 1,245,589/- (Rs. 1,245,589/-)
  - b) A.Y. 2010-11 Nil (27,306,810/-)
  - c) A.Y. 2011-12 Nil (445,798,390/-)
- B. Interest on Cash Credit (NPA as per Bank) of Rs. 10,323,422/- (Rs. 49,476,266/-), which is under settlement with Bank .
- C. ROC fees of increase in authorised share capital Rs. 3,52,22,305/- (Rs. 3,13,21,705/-).
- D. Bank Gurantee Rs. 2,00,000.00 issued to Unique Identification Authority of India. (Rs. 2,00,000)
- E. Service Tax demand Rs. 35,53,123/- against this Rs. 10,00,000/- paid. (Rs. 25,53,123/-)

**Note 23 - Payment to auditors**

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Audit Fee for</b>		
-Statutory Audit	150,000	171,750

The Audit fee remains same for the current year, however the differece is on account of input tax credit GST available.

Note 24 - Disclosure under Accounting Standard 17 - Segment Reporting

(Amount in Rs.)

Segment Information				
Particulars for the year ended 31st March, 2017	Business Segments			Total
	IT Solutions & Products	IT Enabled Services	Telecommunication	
Revenue	19,654,818	5,013,686	753,004,546	777,673,050
	59,168,449	11,237,741	1,962,408,651	2,032,814,840
Inter-Segment Revenue	-	-	-	-
<b>Total</b>	<b>19,654,818</b>	<b>5,013,686</b>	<b>753,004,546</b>	<b>777,673,050</b>
	59,168,449	11,237,741	1,962,408,651	2,032,814,840
<b>Segment Result</b>	<b>(324,028)</b>	<b>412,907</b>	<b>(18,679,779)</b>	<b>(18,590,899)</b>
	(1,509,471)	1,025,123	(12,399,285)	(12,883,632)
Interest				<b>32,116,623</b>
				(4,004,177)
				<b>(50,707,520)</b>
				(16,887,809)
Unallocable Expenses (net)				<b>17,935,507</b>
				(12,656,602)
<b>Operating Income</b>				<b>(68,643,029)</b>
				(29,544,411)
Other Income (net)				<b>68,586,691</b>
				(14,574,152)
Extra ordinary & prior period itmes				-
				-
<b>Profit before tax</b>				<b>(56,336)</b>
				(14,970,259)
Tax Expenses				<b>(25,130,381)</b>
				(6,138,228)
Net Profit for the year				<b>25,074,047</b>
				(8,832,031)

**Note:**

- Primary Segmentation has been done according to the nature of product & services. The Company's Operations predominantly relate to the following segments:
  - IT Solution & Products (including software)
  - IT Enabled Services
  - Telecommunication
- There is no Inter division or Inter Segment transfer of goods.
- Since Fixed Assets used in the company's business cannot be specifically identified with any of the reportable segment, as these are used inter changeably among segments, therefore segment wise disclosure on capital employed has not been furnished.
- The Company caters mainly to the Domestic market and the Export turnover is not significant in the context of the total turnover. As such there are no geographical segments

**Note 25 - RELATED PARTY DISLOSURES**

Description of Relationship	Names of Related Parties	Outstanding Balance As At 31st March, 2018
Ultimate Holding Company	No	
Holding Company	No	
Subsidiary Companies	Axis Convergence Inc Greenwire Network Limited Opentec Thai Network Specialists Limited	
Fellow Subsidiary Company	No	
Key Management Personnel (KMP)	Mr, Peeyush Kumar Aggarwal (Chairman) Mr. Rahul Meena (CEO)# Ms. Garima Singh (Company Seceretary)	173,760,793 - -
Relatives of KMP	Mr. Sanjay Sharma (CFO)	-
Entities in which KMP/ Relatives of KMP can exercise significant influence	Omkam Global Capital Private Limited	(33,648,853)

**Note:**

1. Related Parties transactions during the year, have been identified by the management
2. Mr. Rahul Meena resigned as CEO of the Company w.e.f. 08/06/2017

Particulars	Omkam Global Capital Private Limited	Mr. Rahul Meena	Ms. Garima Singh	Mr. Sanjay Sharma
Sale of Goods	-	-	-	-
Purchase of Goods	-	-	-	-
Advance from Customers & Other Advances	(33,648,853)	-	-	-
Advance given	-	-	-	-
Remuneration to Directors & KMPs	-	383,809	230,802	782,500
Share Application Money Received	-	-	-	-
Share Application Money Refunded	-	-	-	-

**Note 26 - EARNINGS PER SHARE (EPS)**

Particulars	As at 31ST March 2018	As at 31 March 2017
<b>Basic</b>		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	25,112,685	(8,832,031)
Weighted Average number of equity shares used as denominator for calculating EPS	3,774,436,655	3,774,436,655
Basic Earnings per share	0.007	(0.003)
Face Value per equity share	1	1
<b>Diluted</b>		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	25,112,685	(8,832,031)
Weighted Average number of equity shares used as denominator for calculating EPS	3,774,436,655	3,774,436,655
Basic Earnings per share	0.0067	(0.003)
Face Value per equity share	1	1

**Note 27 - DEFERRED TAX**

(Amount in Rs.)

Particulars	As at 31ST March 2018	As at 31 March 2017	As at 31 March 2016
WDV As per Companies' Books	302,204,390	59,907,009	74,769,847
Depreciation as per Income Tax Act, 1961	215,202,254	6,805,532	7,649,314
Timing Difference B/w Depreciation as per Companies Act and Income Tax Act	87,002,136	53,101,477	67,120,533
Provision for Employee Benefit	3,109,886	3,305,261	3,231,700
<b>Total</b>	<b>(83,892,250)</b>	<b>(49,796,216)</b>	<b>(63,888,833)</b>
Closing DTA transferred to Profit & Loss account	(10,898,270)	6,138,228	114,260,099
Opening DTL	(15,972,419)	(22,110,647)	136,370,746
Deferred Tax Liability / (Assets) (Net)	(26,870,689)	(15,972,419)	(22,110,647)

**Note 28 :-**

Company had increased its authorised capital during the Financial Year 2010-11 to 2012-13, however, due to technical issues necessary forms along with the fees w.r.t. increase in Authorised Capital could not be filed and paid. Mean while the schedule of fees was increased as per the companies act, 2013. However, the authorised capital was increased prior to the applicability of companies act, 2013. The company has filed a Writ Petition bearing No. WP(C) 5199 of 2015 before the Hon'ble High Court of Delhi challenging the applicability of provisions prescribed under Para 3 of Table B under Registration of Offices and Fees Rules 2014. Due to this reason Annual return form could not be filed.

**29 Explanation of transition to Ind AS**

These financial statements, for the year ended 31st March, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended 31st March, 2018, together with the comparative figures for the year ended 31st March, 2017, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016, i.e. the date of transition to Ind AS.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements for the year ended 31st March, 2017. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in

the transition from the previous GAAP to Ind AS:

- (a) The Company has elected to continue with carrying value of all Property, plant and equipment under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation, amortization and impairment), if any, adjusted by revaluation of certain assets.
- (b) The Company has elected to continue with the carrying value of Capital work in progress as recognized under the previous GAAP as deemed cost as at the transition date.
- (c) The Company has elected to continue with the carrying value for intangible assets (computer software) as recognized under the previous GAAP as deemed cost as at the transition date. Under the previous GAAP, Computer Software was stated at its original cost, net of accumulated amortization.
- (d) Investment in subsidiaries  
The company has elected to adopt the carrying value under previous GAAP as on that of transition in its financial statement.
- (e) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'FVTOCI' on the basis of the facts and circumstances that existed at the date of transition to Ind AS. Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed as at the date of transition to Ind AS. However, since, the fair valuation has been done based on level 3 inputs, difference in fair value and cost as on the date of transition, if any has been deferred and has been considered and shown as "Deferred gain on changes in fair value of financial assets" under Other Non-Current Liabilities.
- (f) The estimates as at 1st April, 2016 and as at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).
- (g) Ind AS 101 requires the de-recognition requirements of Ind AS 109 to be applied prospectively to transactions occurring on or after the date of transition. Therefore, the Company has not recognized financial assets and liabilities under Ind AS which were derecognized under the previous GAAP as a result of a transaction that occurred before the date of transition.

## 29.2 Financial risk management objectives and policies

The Company's principal financial liability includes Borrowings, Trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Trade receivables, Cash and cash equivalents and other financial assets that derive directly from its operations. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviewed policies for managing each of these risks, which are summarized below:

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated payables on account of import and receivables of export value.

#### (iii) Commodity price risk

There is no commodity price risk, since the stock in hand of software is not subjected to any fluctuation. . And the Company anticipate to receive of favourable price for the same when delivered / sold.

#### (iv) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognized in the Statement of Profit and Loss.

#### (v) Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 60 to 90 days. An impairment analysis is performed at each balance sheet date on an individual basis for major clients.

(vi) Liquidity Risk

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations.

**29.3 Employee Benefit**

The company has contributed to PF and ESI Rs. 5,02,397/- ( Previous years 5,40,774/-).

Brief description of the Plans: The Company has various schemes for long term benefits such as Provident Fund, Gratuity, and Leave Encashment. The Company's defined contribution plans are Provident Funds, Employee's State Insurance Fund & Employee's Pension Scheme (under the provision of Provident Funds & Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions. The Company's defined benefit plans include Gratuity & Leave Encashment Plan. In accordance with the applicable Indian Laws, the company provides for gratuity for all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on respective employee's last drawn salary & for the years of employment with the Company. During the year company has computed his liability through Actuarial Valuar M/s Charan Gupta Consultants Pvt Ltd. The present value of obligation for Gratuity is determined based on actuarial valuation using the Projected Unit Credit Method. The additional disclosure in terms of Accounting Standards-15 "Employees Benefits" is as under:. The amounts charges to Profit & Loss Account based on estimated basis are as under:-

**Reconciliation of Opening & Closing balance of Obligation**

(Rs. In lacs)

Particulars	Gratuity A/c	Leave Encashment A/c
Obligation at the beginning of the year	16.89	16.16
Current Service Cost	2.37	0.32
Interest Cost	1.24	0.27
Actuarial (gain)/loss	(3.69)	(0.46)
Less: Benefits paid	--	2.00
<b>Obligation at the end of the year</b>	<b>16.81</b>	<b>14.29</b>

**Gratuity & other Post Employment benefit cost for the period**

Particulars	Gratuity A/c	Leave Encashment A/c
Current Service Cost	2.37	0.32
Interest Cost	1.24	0.27
Net Actuarial (gain)/loss recognized in the period	(3.69)	(0.46)
Expenses recognized in the statement of profit & losses	0.07	0.13

**29.4 In the absence of necessary information with the company, relating to the registration status of suppliers under the micro, small and medium enterprises development ACT, 2006, the information required under the said act could not be complied and disclosed.**

**29.5 The Company is already a holding company of the following:**

- Axis Convergence Inc
- Greenwire Network Limited
- Opentec Thai Network Specialists Company Limited

The Subsidiary Company considered in the Consolidated financial statement is :

- a) Greenwire Network Limited country of incorporation: Hong Kong % of share holding on: 100%
- b) Axis Convergence Inc country of incorporation: Mauritius % of share holding on: 100%
- c) The Subsidiary Company Opentec Thai Network Specialists Company Limited country of incorporation: Thailand % of share holding on: 99.996%

**29.6 Purchases of stock-in-trade:**

Amount (in Rs.)

Particulars	As at 31.03.2018	As at 31.03.2017
IT SOLUTIONS & PRODUCTS	19,141,867	51,767,579
IT ENABLED SERVICES	4,187,921	9,222,681
TELECOMMUNICATION	745,988,970	1,942,452,226
<b>Total</b>	<b>769,318,758</b>	<b>2,003,642,487</b>

**29.7 Capital Management**

The Company's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017:

**29.8 Fair value**

- i) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value			Fair value		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
<b>Financial Assets</b>						
FVOCI financial instruments:	-	-	-	-	-	-
Unquoted equity shares Veom Infotec Pvt. Ltd.	-	45,000	45,000	-	1	1
Quoted equity Shares	-	-	-	-	-	-
<b>Total</b>	-	<b>45,000</b>	<b>45,000</b>	-	<b>1</b>	<b>1</b>

- a) The management assessed that cash and cash equivalents, other bank balances, trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- b) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- c) Long-term fixed-rate and variable-rate receivables/Borrowings are evaluated by the company based on parameters such as interest Rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- d) Non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- e) The fair values of the unquoted equity shares have been estimated using a net asset value method.

**ii) Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:**

Fair value measurement using					(Amount in Rs.)
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial			-	-	-
FVOCI financial instruments:			-	-	-
Unquoted equity shares	31-Mar-18		-	-	-
Quoted Equity Shares	31-Mar-18		-	-	-

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:**

Fair value measurement using					
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial		-	-	-	-
FVOCI financial instruments:		-	-	-	-
Unquoted equity shares	31-Mar-17	1	-	-	1
Quoted Equity Shares	31-Mar-17	-	-	-	-

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:**

Fair value measurement using					
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
FVOCI financial		-	-	-	-
FVOCI financial instruments:		-	-	-	-
Unquoted equity shares	31-Mar-16	1	-	-	1
Quoted Equity Shares	31-Mar-16	-	-	-	-

**iii) Description of significant unobservable inputs to valuation:**

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2018, 31 March 2017 and 1 April 2016 are as shown below

S. No.	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	FVTOCI assets in unquoted equity shares	Net Asset Value#	-	-	-

# Since the financial statement of the company in which unquoted equity shares were held was not available, in the absence of same the fair value of unquoted equity shares has been taken as Re 1/-.



**29.9 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification/disclosure.**

**As per our Audit Report of even date**

**For RMA & Associates LLP**  
Chartered Accountants  
FRN No. : 000978N/N500062

**Amit Jain**  
Partner  
M.No.: 503109

**Place** : New Delhi  
**Date** : 31.05.2018

**For and on behalf of the Board of Directors**

**Peeyush Aggarwal**  
Chairman & Managing Director  
DIN : 00090423

**Garima Singh**  
Company Secretary

**Sanjay Sharma**  
Chief Financial Officer

### **30. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENT**

#### **Statement of Compliance with Ind AS**

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in this financial statements. Accordingly, the Consolidated Financial Statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards.

The transition was carried out from Generally Accepted Accounting Principles in India which comprised of applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (ICAI), relevant applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 to the extent applicable and the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) ("Previous GAAP").

These Consolidated Financial Statements for the year ended 31st March, 2018 are the first Consolidated Financial Statements of the Company prepared in accordance with Ind AS. The date of transition to Ind AS is 1st April, 2016.

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Consolidated Financial Statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

#### **A. Basis of Accounting & Preparation of Consolidated Financial Statements**

These Consolidated Financial Statements are prepared on the accrual basis of accounting, under the historical cost convention except for the following:

- i) Certain financial assets and financial liabilities measured at fair value;

There is no change in the system of accounting as being consistently followed from earlier years unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time between procurement of raw material and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

#### **Principles of Consolidation**

The consolidated financial statements relate to MPS Infotecnics Limited ('the Holding Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- a). The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b). The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c). The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- d). Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e). Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

#### **B. Use of Estimates**

The preparation of Consolidated Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Consolidated Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### **C. Property, plant and equipment (PPE) and Capital work-in-progress (CWIP)**

##### **Transition to Ind AS**

The Company has elected to continue with carrying value of all Property, plant and equipment and Capital work-in-progress (CWIP)

under the previous GAAP as deemed cost as at the transition date i.e. 1st April, 2016.

Under the previous GAAP, Property, plant and equipment were stated at their original cost (net of accumulated depreciation and impairment) adjusted by revaluation of certain assets.

The Property, plant and equipment (PPE) and Capital work-in-progress (CWIP) are stated at cost net of cenvat credit and/or at revalued price less accumulated depreciation and Accumulated Impairment.

Useful life of assets are considered on the basis of schedule-II of Companies Act 2013.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

#### **D. Leased Assets**

Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

#### **E. Intangible Assets**

Transition to Ind AS:

The Company has elected to continue with carrying value of computer software under the previous GAAP, as deemed cost as at the transition date i.e. 1st April, 2016. Under the previous GAAP, computer software was stated at their original cost (net of accumulated amortization and accumulated impairment, if any).

Intangible assets expected to provide future enduring economic benefits are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

#### **F. Depreciation and Amortisation**

Depreciation on fixed assets is provided to the extent of depreciable amount on straight line method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life. Intangible Assets are amortised over a period of 10 years considering the useful life of the underlying assets on

Straight Line Basis.

#### **G. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **H. Foreign Currency Transactions**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (b) Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference
- (c) Non monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

#### **I. Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to

measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided by the management after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **Financial instruments**

Financial assets and financial liabilities are recognised in the Balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

#### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

##### **Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- 1) At amortised cost,
- 2) At fair value through other comprehensive income (FVTOCI), and
- 3) At fair value through profit or loss (FVTPL).

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- 1) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and
- 2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

##### **Equity investments**

All equity investments in the scope of Ind AS 109 are measured at fair value except in case of investment in subsidiary carried at deemed cost and associate carried at cost.

Deemed cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016. Equity instruments included

within the FVTPL category, if any, are measured at fair value with all changes recognized in profit or loss. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. When the fair value has been determined based on level 3 inputs, the difference between the fair value at initial recognition and the transaction price is deferred and after initial recognition deferred difference is recognised as gain or loss to the extent it arises from change in input to valuation technique. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

#### **De-recognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

#### **J. Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, charges in bringing them to their respective present location and condition.

#### **K. Revenue Recognition**

Revenue from Fixed Price Software Contracts is recognised principally on the basis of completed Milestones as specified in the contracts.

Software Development and Services are recognised on time basis as per terms of specified contracts

Sale of Software / Hardware products is recognised on the dispatch of goods from company's premises. No provision has been made for possible returns or expenses during the warranty period.

Income from Annual Maintenance Contracts, Web Hosting and Domain Registration are accounted for in the ratio of period expired to the total period of the contract and the amount received from the customers towards the un-expired portion of such contract is treated as advance received.

Interest Income is recognized on time proportion basis.

#### **L. Employee Benefits**

(a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

(b) Post employment benefits:

##### **Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The company makes specified monthly contributions towards provident fund. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which employee renders the related service.

##### **Defined benefit plan:**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized in the other comprehensive income

##### **Long term employment benefits**

The Company's net obligation in respect of long-term employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is

discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

**M. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**N. Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised on all taxable temporary differences.

**O. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**P. Estimated fair value of unlisted securities**

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets is determined using valuation techniques including the net assets value (NAV) model. The Group uses its judgment to select a variety of method / methods and make assumptions that are mainly based on market conditions existing at the end of each financial year. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Q. The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.**

**Form No. MGT-11  
PROXY FORM**

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

**CIN:** L30007DL1989PLC31190

**Name of the Company:** MPS Infotecnics Limited

**Registered office:** 703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001

Name of the Member	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP Id	

I/ We being the member of the above named Company holding.....shares, hereby appoint

1. Name: .....

Address: .....

E-mail Id: .....

Signature: ....., or failing him .....

2. Name: .....

Address: .....

E-mail Id: .....

Signature: ....., or failing him .....

3. Name: .....

Address: .....

E-mail Id: .....

Signature: ....., or failing him .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 29th Annual General Meeting of members of the Company, to be held on 29th September 2018 at 10.30 A.M. at the registered office of the Company at 703, Arunachal Building, 19, Barakhamba Road, New Delhi 110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>Ordinary Business</b>	
1	Adoption of Audited Financial Statements (including Consolidated financial statements) of the Company for the year ended 31st March 2018
2	Appointment of M/s. Nimani Garg Agarwal & Co., Chartered Accounts, as statutory Auditors of the Company and to fix their remuneration in place of M/s. RMA & Associates LLP, Chartered Accountants, whose term expires at the conclusion of this Annual General Meeting
<b>Special Business</b>	
3	To appoint Mr. Rachit Garg, (DIN No. 07574194) as Director of the Company
4	Approval of contract/arrangement for material related party transactions with various related parties
5	To appoint Mr. Peeyush Kumar Aggarwal (DIN No. 00090423) as Managing Director of the Company
6	To consider and approve disinvestment in subsidiaries of the company

Signed this.....day of.....2018

Signature of Shareholder..... Signature of Proxy Holder(s).....

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- For the text of the Resolutions, Explanatory Statements & Notes, please refer to the Notice convening the 28th Annual General Meeting dated 29th August 2017.
- It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate
- Please complete all details including details of member(s) in above box before submission

**Affix  
Revenue  
Stamp of  
Re.1/-**





*If undelivered please return to:*

**MPS Infotecnics Limited**



Regd. Office : 703, Arunachal Building,  
19, Barakhamba Road, New Delhi-1  
Ph.: 011-43571044, Fax: 011-43571047  
E-mail : [info@mpsinfotec.com](mailto:info@mpsinfotec.com)