

# FOURTH GENERATION INFORMATION SYSTEMS LTD

CIN: L72200TG1998PLC029999

Flat no: 301, SAAI PRIYA apart, H.No:6-3-663/7/6/301, Jaffer Ali Bagh, Somajiguda, Hyderabad-82.  
Phone:23376096,email:info@fgisindia.com

Date: 06<sup>th</sup> September 2023

To  
The Deputy General Manager,  
The Department of Corporate Services,  
Bombay Stock Exchange Limited,  
P.J. Towers, Dalal Street,  
Mumbai – 400001,

Scrip Code: 532403

Sub: Notice convening the 25<sup>th</sup> Annual General Meeting (“AGM”) and Submission of 25<sup>th</sup> Annual Report of Fourth Generation Information Systems Limited (“the company”)

Please find the enclosed the Notice convening the 25<sup>th</sup> AGM of the company and the Annual Report of the company for the financial year 2022-2023. The notice and annual report is also available on the Company’s website at [www.fgisindia.com](http://www.fgisindia.com).

This is for your information and record.

Thanking you,

Yours sincerely,

**For Fourth Generation Information Systems Limited**

  
C N Somasekhara Reddy  
Managing Director  
DIN: 02441810



**FOURTH GENERATION  
INFORMATION SYSTEMS LIMITED**

**25th  
ANNUAL REPORT  
2022-2023**

## Fourth Generation Information Systems Limited

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### CORPORATE INFORMATION:

#### BOARD OF DIRECTORS:

Mr. C. N. Somasekhar Reddy (DIN 02441810)	:	Chairman & Managing Director
Mr. Srivenkata Ramana Tammiseti (DIN 03195303)	:	Director
Ms. Archana Racha (DIN 08517794)	:	Women Independent Director
Mr. Venkateswar Rao Nellutla (DIN 09261084)	:	Independent Director
Mr. Santosh Reddy Sripathi (DIN 09663143)	:	Independent Director

#### KEY MANAGERIAL PERSONNEL (KMP):

Mr. Venkateswara Prasad Ratakonda	:	Chief Financial Officer (ADCPR2646E)
Mr. Harshvardhan Barve:		Company Secretary (BLPPB8543N)

#### REGISTERED OFFICE:

Flat No 301, Saai Priya Apartment,  
H.No 6-3-663/7/6/301, Jaffer Ali Bagh, Somajiguda,  
Hyderabad, Telangana – 500082. T: 040-23376096;  
e-Mail: info@fgisindia.com

**CORPORATE IDENTITY NUMBER (CIN) :** L72200TG1998PLC029999

#### STATUTORY AUDITORS:

M/s. NSVR & Associates LLP, Chartered Accountants,  
Flat No. 202, Nestcon Gayatri, Plot No. 28, Panchavati Cooperative society,  
Road No. 10, Banjara Hills, Hyderabad - 500034. T: 040-23319833;  
e-Mail: info@nsvr.in

#### SECRETARIAL AUDITOR:

Ms. Neha Pamnani,  
Company Secretary in Practice,  
8-3-318/6/10, Yellareddy Guda Ameerpet,  
Hyderabad – 500073, Telangana

#### BANKERS:

Indian Overseas Bank Main Branch, Abids,  
Hyderabad, Telangana

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### DETAILS OF COMMITTEES (w.e.f 14th February 2023)

#### AUDIT COMMITTEE:

<b>Name</b>	<b>Category</b>
Santosh Reddy Sripathi	Chairperson
Venkateswar Rao Nellutla	Member
Archana Racha	Member

#### NOMINATION & REMUNERATION COMMITTEE:

<b>Name</b>	<b>Category</b>
Archana Racha	Chairperson
Venkateswar Rao Nellutla	Member
Santosh Reddy Sripathi	Member

#### STAKEHOLDERS RELATIONSHIP COMMITTEE:

<b>Name</b>	<b>Category</b>
Venkateswar Rao Nellutla	Chairperson
Archana Racha	Member
Santosh Reddy Sripathi	Member

#### REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Pvt Limited 306, Right Wing, 3rd Floor,  
Amrutha Ville, Opp. Yashoda Hospital Somajiguda, Rajbhavan Road,  
Hyderabad 500082, Telangana  
URL: [www.bigshareonline.com](http://www.bigshareonline.com)  
e-Mail: [info@bigshareonline.com](mailto:info@bigshareonline.com)

<b>LISTED AT</b>	:	BSE Limited
<b>ISIN</b>	:	INE739B01039
<b>WEBSITE</b>	:	<a href="http://www.fgisindia.com">www.fgisindia.com</a>
<b>E-MAIL ID</b>	:	<a href="mailto:info@fgisindia.com">info@fgisindia.com</a> .



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### NOTICE

NOTICE IS HEREBY GIVEN THAT THE 25TH (TWENTY FIFTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. FOURTH GENERATION INFORMATION SYSTEMS LIMITED WILL BE HELD ON FRIDAY, THE 29TH DAY OF SEPTEMBER 2023 AT 10.00 A.M. THROUGH VIDEO CONFERENCING (VC)/OTHER AUDIO-VISUAL MEANS (OAVM) ORGANISED BY THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS AND THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY, TO TRANSACT THE FOLLOWING ITEMS OF BUSINESSES:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2023, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Somasekharareddy Nallapa Reddy Chittor- (DIN: 02441810) who retires by rotation and being eligible, offers himself for re- appointment to the office of Director.

### SPECIAL BUSINESS:

3. To regularize the appointment of Mr. Santosh Reddy Sripathi (DIN: 09663143), Additional Director (Category: Non-Executive, Independent), by appointing him as an Independent Non-Executive Director of the Company and in this regard to consider and, if thought fit, pass, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Act and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Santosh Reddy Sripathi (DIN: 09663143), who was appointed by the Board as an Additional Director (Category: Non-Executive, Independent) on the Board of the Company w.e.f. 14th February, 2023, on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of this Annual General Meeting and has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the

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Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and is eligible for appointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director, be and is hereby regularized and appointed as an Independent Non- Executive Director of the Company to hold office for first term of five consecutive years w.e.f. 14th February, 2023 to 13th February, 2028 and his office shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

**By order of the Board of Directors  
For Fourth Generation Information Systems Limited**

**Sd/-**

**C. N. Somasekhara Reddy  
Managing Director  
DIN: 02441810**

**Date: 30th August 2023  
Place: Hyderabad**

**NOTES FOR MEMBERS:**

1. In Compliance with the provisions of the Companies Act, 2013, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021, 2/2022 dated 5th May, 2022 and 10/2022 dated 28th December, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with Circulars dated 12th May, 2020, 15th January, 2021, 13th May 2022 and 5th January, 2023 and other relevant circulars, if any, issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold the Annual General Meeting (AGM) through Video Conference ("VC") or Other Audio Visual Means ("OAVM") up to 30th September, 2023, without the physical presence of members at a common venue. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (LODR) Regulations, 2015, (Listing Regulations), the 25th AGM of the Fourth Generation Information Systems Limited is being conducted through VC / OAVM. Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at-Instructions for members CDSL e-Voting System – For Remote e-voting and e-voting during AGM below.
2. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the company in case the shares are held by them in physical form.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 3 is annexed hereto.

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6. In terms of Articles of Association of the Company, Mr. Somasekharareddy Nallapa Reddy Chittor- (DIN: 02441810) is retiring by rotation, at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Information about them, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, is contained in the statement annexed hereto as Annexure-I. The Board of Directors of the Company recommends the re-appointment of Mr. Somasekharareddy Nallapa Reddy Chittor- (DIN: 02441810). He has furnished the requisite declarations for his re-appointment.
7. Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2023, 29th September, 2023.
8. Corporate Members (i.e other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to csneha.sec@gmail.com with a copy marked to us.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN) mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the company in case the shares are held by them in physical form.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
11. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has

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not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company [www.fgisindia.com](http://www.fgisindia.com) along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended 31st March 2013 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any unencashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. The details of the unclaimed dividends, if any, are available on the Company's website at [www.fgisindia.com](http://www.fgisindia.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

12. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

### ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING ANNUAL REPORT.

In accordance with the circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the company or the Depository Participant(s).

Members holding shares in physical mode and who have not updated their email addresses with the company are requested to update their email addresses by writing to the company at [info@fgisindia.com](mailto:info@fgisindia.com) or CDSL Email [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any

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document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register or update their email addresses with the relevant Depository Participants.

The Notice of AGM along with Annual Report for the financial year 2022-23, is available on the website of the company at [www.fgisindia.com](http://www.fgisindia.com) on the website of Stock Exchanges i.e. BSE Limited and on the website of Central Depository Services (India) Limited (CDSL) at [www.cdslindia.com](http://www.cdslindia.com).

13. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial or Investor Relations Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
14. Individual Members can now take the facility of making nomination of their holding. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder and the joint-holder(s), if any. A minor can be nominee provided the name of the guardian is given in the nomination form. Non- individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard, Members may contact M/s. Bigshare Services Pvt Limited, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad 500082, Telangana, the Registrar and Share Transfer Agents of the Company.
15. Securities and Exchange Board of India (SEBI) has issued a circular clarifying that it shall be mandatory for the transferee(s) to furnish copy of Permanent Account Number (PAN) card to the Company/Registrar and Transfer Agent of the Company for registration of transmission and transposition of shares in the physical mode. Members may please take note of the same.

### **Voting Through Electronic Means:**

1. The voting period begins on 26th September, 2023 at 9:00 a.m and ends on 28th September, 2023 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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2. Ms. Neha Pamnani, Practicing Company Secretary (Membership No. ACS 44300) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
3. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
4. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 22nd September, 2023 only, shall be entitled to avail the facility of remote e-voting. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
5. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting, then you can use your existing User ID and password for casting your vote.
6. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.
7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.fgisindia.com](http://www.fgisindia.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited where the equity shares of the Company are listed.
8. The resolutions listed in the Notice of the AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favor of the respective resolutions.

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Instructions for members CDSL e-Voting System – For Remote e-voting and e-voting during AGM is as under:

### CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the by MCA and SEBI. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the /AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.



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6. In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.fgisindia.com](http://www.fgisindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars.

### **THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on 26th September, 2023 at 9:00 a.m and ends on 28th September, 2023 at 5.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

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	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at</p>

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	<p><a href="https://eservices.nsdl.com/SecureWeb/Id easDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/Id easDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.

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- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>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).</li></ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company Name, i.e., Fourth Generation Information Systems Limited on which you choose to vote.

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- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](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 linked in the login 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.
  - Alternatively Non Individual shareholders are required to send the

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

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.



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9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the /AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the /AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed by sending an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**EXPLANATORY STATEMENT**

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

The following Explanatory Statement sets out all the material facts of the accompanying Notice.

**Item No 3:**

Mr. Santosh Reddy Sripathi (DIN: 09663143) as per the recommendation of the Nomination and Remuneration Committee and after considering his knowledge, acumen, expertise and experience was appointed as an Additional Director (Category: Non-Executive, Independent) of the Company by the Board to hold office for his first term of five consecutive years w.e.f. 14th February, 2023 to 13th February, 2028, subject to approval and regularization by members of the Company in the ensuing Annual General Meeting as an Independent Director on the Board. Further, as per Section 149(10) of the Companies Act, 2013, (the 'Act').

Based on the recommendation of Nomination and Remuneration Committee, the board of directors is of the opinion that he fulfills the skills and capabilities as required in the Act and Listing Regulations and therefore consider it desirable and in the interest of the company to have Mr. Santosh Reddy Sripathi on the board as an Independent Non-Executive Director of the company.

Mr. Santosh Reddy Sripathi has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

Thus, in terms of the provisions of Sections 149, 150, 152, 161 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Santosh Reddy Sripathi, being eligible for appointment as an Independent Director and offering himself for appointment, is proposed to be regularized and appointed as an Independent Director for the first term of five consecutive years w.e.f. 14th February, 2023 and to hold office upto 13th February, 2028.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 the Act and Regulation 16(1) (b) of the Listing Regulations. He has also given his consent to act as Director of the Company. In the opinion of the Board, Mr. Santosh Reddy Sripathi fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations, for his

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appointment as an Independent Director of the Company and is independent of the management.

### **Brief Profile:**

Mr. Santosh Reddy Sripathi holds degrees of Bachelor of commerce. He has been pursuing Chartered Accountancy. He has worked with many companies in the field of finance and accountancy and accordingly has vast experience in those fields which will be helpful for dynamic growth of the Company. Mr. Santosh Reddy Sripathi is not dis-qualified from being appointed as Director in terms of section 164 of the Act and in terms of Section 160 of the Act, the Company have received notice in writing from member proposing the candidature of Mr. Santosh Reddy Sripathi for appointing him as Independent Director of the Company as per the provisions of the Act.

The names of companies and the committees in which he is a director/member, the letter of appointment and terms and conditions of the appointment are uploaded on the website of the company and are also available for inspection at the registered office of the company between 11:00 A.M. to 1:00 P.M. on all working days of the Company.

Details of Director whose appointment as Independent Director is proposed at Item Nos. 3 is provided in the "Annexure I" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Santosh Reddy Sripathi and his relatives are interested in the resolutions as set out at Item No. 3 of the Notice with regards to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No.3 of the Notice for the approval by the members.

**ANNEXURE I**

ANNEXURE TO THE EXPLANATORY STATEMENT PURSUANT TO REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED IS FURNISHED BELOW:

**For Item No 2:**

**Mr. Somasekharareddy Nallapa Reddy Chittor (DIN: 02441810)**

**Brief Resume :**

Name of the Director	SomasekharareddyNallapa Reddy Chittor
Father Name	Nallapareddy Bheema Reddy Chittor
Date of Birth	08/05/1963
Age	60 Years
Qualifications	M-Tech
Date of Appointment	31/07/2010
Experience	33 years

**Nature of Expertise in Specific functional areas :**

Mr. Somasekharareddy Nallapa Reddy Chittor has vast experience in the field of Technical/operations. Under his leadership, the Company has achieved enviable growth and was one of largest Enterprise Solutions Company, developing innovative software products and provider of IT consultancy services for the logistics and supply chain management market place.

Terms & Conditions of appointment and re-appointment:As per item no. 2, Mr. C. N. Somasekhar Reddy (DIN: 02441810) is liable to retire by rotation at the ensuing 25th Annual General Meeting and being eligible, offers himself for re-appointment to the office of Director.

Disclosure of inter-se relationship between Directors and Key Managerial Personnel:

Mr. Somasekharareddy Nallapa Reddy Chittor is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

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Entites (other than FourthGenerationInformationSystemsLimited) in which Mr. Somasekharareddy Nallapa Reddy Chittor holds the directorship and Committees Membership/Chairmanship:

### **Directorship :**

Northward Projects Private Limited- Director

I Q Technologies Private Limited- Director

Skyline Projects Private Limited- Director

### **-Committee-Chairmanship/Membership : -NIL**

Listed entities from which the person has resigned in the past three years: Nil

Shareholding in the Company as on 31st March 2023: 450038 Equity Shares

Number of Meetings of the Board attended during the financial year 2022-2023:

5 ( Five)

Details of Remuneration sought to be paid and the remuneration last drawn by such person: Past Remuneration : NIL

For Item No 3:

Santosh Reddy Sripathi (DIN:09663143)

### **Brief Resume :**

Name of the Director	Santosh Reddy Sripathi
Father Name	Jaipal reddy sripathi
Date of Birth	08/07/1994
Age	30 Years
Qualifications	Bachelor of commerce, pursuing Chartered Accountancy
Date of Appointment	14th February 2023
Experience	He has worked with many companies in the field of finance and accountancy and accordingly has vast experience in those fields which will be helpful for dynamic growth of the Company

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### **Nature of Expertise in Specific functional areas:**

Mr. Santosh Reddy Sripathi holds degrees of Bachelor of commerce. He has been pursuing Chartered Accountancy. He has worked with many companies in the field of finance and accountancy and accordingly has vast experience in those fields which will be helpful for dynamic growth of the Company.

**Terms & Conditions of appointment and re-appointment:** Mentioned in Resolution no 3 along with its Explanatory Statement.

### **Disclosure of inter-se relationship between Directors and Key Managerial Personnel:**

Mr. Santosh Reddy Sripathi is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

Entities (other than Fourth Generation Information Systems Limited) in which Mr. Santosh Reddy Sripathi holds the directorship and Committees Membership/Chairmanship:

- Directorship : Shree Rj Sametha Impex Private Limited
- Committee-Chairmanship/Membership : -NIL

**Listed entities from which the person has resigned in the past three years:** Nil

**Shareholding in the Company as on 31st March 2023:** Nil

**Number of Meetings of the Board attended during the financial year 2022-2023:** NIL

**Details of Remuneration sought to be paid and the remuneration last drawn by such person:** Except sitting fee for attending the board/committee meetings of the company, he is not entitled to any other benefits.

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### BOARD's REPORT

To the Members,

The Directors have pleasure in presenting before you the 25th Director's Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2023. The Company's performance is summarized below:

1. Financial Summary/Highlights, Operations, State of Affairs: The performance during the period ended March 31, 2023

#### Year Ended (Amount in Lakhs)

Particulars	31-03-2023	31-03-2022
Revenue from Operations	0.00	0.00
Other Income	0.00	0.00
Total Revenue	0.00	0.00
Expenses		
Purchase of Stock-in-trade	0.00	0.00
Employee benefits expense	1.20	1.60
Depreciation and Amortisation expense	5.06	0.00
Other Expense	9.38	5.90
<b>Total Expenses</b>	<b>15.64</b>	<b>7.50</b>
<b>Profit/(Loss) before tax</b>	<b>(15.64)</b>	<b>(7.50)</b>
<b>Tax Expense:</b>		
Current Tax	0.00	0.00
Deferred Tax	0.00	0.00
Profit/ (Loss) for the period	<b>(15.64)</b>	<b>(7.50)</b>

### 2. Review of operations:

The net loss for the financial year ending 31st March 2023 is Rs. 15.64 Lakhs as compared to the loss of Rs.7.50 Lakhs in the previous financial year ending 31st March 2022.

### 3. Dividend:

Keeping the Company's revival plans in mind, your Directors have decided not to recommend dividend for the financial year 2022-2023.

**4. Transfer to reserves:**

Since there is no surplus in Profit and Loss account, there is no transfer to general reserve or any other reserve.

**5. Material changes & commitment affecting the financial position of the company:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

**6. Significant & material orders passed by the regulators or courts or tribunals:**

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

**7. Transfer of Amounts to Investor Education and Protection:**

During the year under review, the company does not have any amount of unclaimed and unpaid dividend which is required to be transferred to the IEPF.

**8. Transfer of Unclaimed Shares to Investor Education and Protection:**

During the year under review, the company does not have any unclaimed shares that are required to be transferred to the Demat Account of the IEPF Authority.

**9. Change in the nature of business, if any:**

During the year under review, there has been no change in the nature of business of the Company.

**10. Deposits from public:**

The Company has not accepted any public deposits during the Financial Year ended March 31, 2023 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.



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### 11. Number of meetings of the board:

During the year, Five (5) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The Meetings were held on 30th May, 2022, 13th August 2022, 01st September 2022, 14th November 2022 and 14th February 2023. The maximum interval between any two meetings did not exceed 120 days.

### Audit Committee

There were 5 (Five) meetings held on 30th May 2022, 13th August 2022, 01st September 2022, 14th November 2022 and 14th February 2023 during the Financial Year 2022-2023

Following are the names of the members and the Chairperson of the Committee as on 31st March, 2023. The committee was reconstituted w.e.f 14th February 2023

Name	Category
Santosh Reddy Sripathi	Chairperson
Venkateswar Rao Nellutla	Member
Archana Racha	Member

Necessary quorum was present in all meetings. Ms Archana Racha, Past Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of the Company.

The terms of reference to the Audit Committee cover the matter specified for Audit Committee under Regulation 18 of SEBI Listing Regulations and Section 177 (1) of the Companies Act, 2013 and SEBI Listing Regulations.

All the recommendations made by the Audit Committee of the Company have been considered and accepted by the Board of Directors of the Company.

### Nominations and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors meets the criteria laid down under section 178 of the Companies Act, 2013 read with the Regulation 19 of the SEBI Listing Regulations.

Two meetings of the Nomination and Remuneration Committee were held during the year on 01st September 2022 and 14th February 2023.

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Following are the names of the members and the Chairman of the Committee as on 31st March, 2023. The committee was reconstituted w.e.f 14th February 2023.

Name	Category
Archana Racha	Chairperson
Venkateswar Rao Nellutla	Member
Santosh Reddy Sripathi	Member

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at [www.fgisindia.com](http://www.fgisindia.com).

### Stakeholder Relationship Committee

The Stakeholder Relationship Committee (SRC) of the Board of Directors meets the Criteria laid down under Section 178 of the Companies Act, 2013, read with the Regulation 20 of the SEBI Listing Regulations.

There were 2 (Four) meetings held on 13th August 2022 and 14th February 2023 during the Financial Year 2022-2023.

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and Share Transfer Agents and recommends measures for providing efficient services to investors. The Committee specifically looks into investor complaints like transfer/transmission/transposition of shares and other related issues. There were no complaints pending for redressal as at 31st March, 2023.

Following are the names of the members and the Chairperson of the Committee as on 31st March, 2023. The committee was reconstituted w.e.f 14th February 2023

Name	Category
Venkateswar Rao Nellutla	Chairman
Archana Racha	Member
Santosh Reddy Sripathi	Member

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### Meeting of Independent Director

The Independent Directors of the company have met separately on 14th February 2023 inter-alia, reviewed the performance of the Chairman, Non Executive Directors, Independent Directors, Non Independent Directors. The Independent Directors in the said meeting also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board to effectively and reasonably perform its duties.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16 read with Regulation 25 of the Listing Regulations.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25 of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

### 12. Directors and key managerial personnel:

Following are the Directors and Key Managerial personnel of the Company as on 31st March 2023:

<b>Name of the Directors/Key Managerial personnel</b>	<b>Category</b>
Somasekharareddy Nallappa Reddy Chittor	Chairperson and Managing Director
Srivenkata Ramana Tammiseti	Director
Venkateswar Rao Nellutla	Independent Director
Archana Racha	Women Independent Director
Santosh Reddy Sripathi	Independent Director
Venkateswara Prasad Ratakonda	Chief Financial Officer
Harshvardhan Barve	Company Secretary

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None of the Directors are disqualified from being appointed or holding office as Directors, as stipulated under Section 164 of the Companies Act, 2013.

Pursuant to provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. C. N. Somasekhar Reddy (DIN: 02441810) is liable to retire by rotation at the ensuing 25th Annual General Meeting and being eligible, offers himself for re-appointment to the office of Director.

In the board meeting held on 14th February 2023, Mr. Santosh Reddy Sripathi as per the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director (Independent Director category) for a period of 5 years with effect from 14th February, 2023 up to 13th February 2028 who shall hold office up to the date of ensuing Annual General Meeting or last date on which the Annual General Meeting should have been held, whichever is earlier.

Mr. Somasekharreddy Nallapa Reddy Chittor (DIN: 02441810), was reappointed as Managing Director of the Company for a period of 5 years with effect from 1st April, 2023 to 31st March, 2028 in the Annual General Meeting held on 29th September 2022.

Mr Srivenkata Ramana Tammiseti PAN: ABQPT2762F has tendered his resignation from the post of Chief Financial officer of the company w.e.f the close of business hours on 01st September 2022. The board took note of the same in the board meeting held on 01st September 2022 and placed their sincere appreciation for the services rendered by him during his tenure as Chief Financial officer of the company.

Ms. Kavya Girish Chandwani PAN: AUYPM9722H has tendered her resignation from the post of Company Secretary of the company w.e.f the close of business hours on 05th October 2022. The board took note of the same in the board meeting held on 14th November 2022 and placed their sincere appreciation for the services rendered by her during her tenure as Company Secretary of the company.

In the board meeting held on 14th February 2023, Mr Venkateswara Prasad Ratakonda, was appointed as Chief Financial Officer of the Company (CFO) w.e.f 14th February 2023.

In the board meeting held on 03rd April 2023, Mr. Harshvardhan Barve, Membership Number: A67961, as per the recommendation of the Nomination and Remuneration Committee, was appointed as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from the 03rd April, 2023.

Pursuant to the provisions of regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by ICSI, brief particulars of the directors proposed to be appointed/ reappointed are provided as an annexure to the notice convening the AGM.

**13. Opinion of the board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year.**

The Board of Directors have evaluated the Independent Directors appointed during the year 2022-23 and opined that the integrity, expertise, and experience (including proficiency ) of the Independent Directors is satisfactory.

**14. Board evaluation:**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

The annual performance evaluation of the Board, its Committees and each Director has been carried out for the financial year 2022-23 in accordance with the framework.

**15. Corporate governance:**

As per the provisions of 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), the compliances with corporate governance provisions as specified in Regulations 17 to 27 are applicable to the Company only if it's paid up Capital exceeds Rs. 10 Crores and if Net worth is above Rs. 25 Crores.

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## Fourth Generation Information Systems Limited

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The following are the Paid up Capital and Networth details as on 31st March 2022 and 31st March 2023 of the Company

S. No.	Particulars	Amount as on 31.03.2022 (In Lakhs)	Amount as on 31.03.2023 (In Lakhs)
1	Paid up Capital	355.00	355.00
2	Net worth	(24.63)	(40.27)

Hence, the compliance of provisions of Regulations 17 to 27 of SEBI (LODR) Regulations are not applicable to the Company.

In light of the above, Corporate Governance Report is not applicable to the Company during the period under review.

### 16. Management discussion and analysis report:

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report.

### 17. Web Link of Annual Return, if any

Annual Return is hosted on website of the company.

### 18. Share Capital

During the year under review, there were no changes in the share capital of the Company.

The Share Capital of the Company as on March 31, 2023 was as follows:

The authorized capital of the company stands at Rs. 12,95,00,000/- divided into 1,29,50,000 equity shares of Rs. 10/- each.

The Issued, Subscribed and Paid Up Capital of the company at Rs. 3,55,00,000/- divided into 35,50,000 equity shares of Rs.10/- each.

### 19. Information about the financial performance / financial position of the subsidiaries / associates:

The company does not have any subsidiaries/Associate companies as on 31st March 2023.

## Fourth Generation Information Systems Limited

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### 20. Director's responsibility statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis;
- v. the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 21. Internal auditors:

M/s Ganta & Co, Chartered Accountants (FRN: 018068S) was appointed as the Internal Auditor of the Company w.e.f 14th February 2023.

### 22. Statutory audit and auditors' report:

The Shareholders in their meeting held on September 28, 2021 (23rd AGM) appointed M/s. NSVR & Associates., Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company, to hold office till the conclusion of 26th Annual General Meeting.

The Auditors' Report for fiscal 2023 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for standalone audited financial results of the Company for the Financial Year ended March 31, 2023 from the statutory auditors of the Company.

**23. Secretarial Auditor & Audit Report:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed Ms. Neha Pamnani, Company Secretary in Wholetime Practice, as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2023.

The Secretarial Audit was carried out by Ms. Neha Pamnani, Company Secretary in Wholetime Practice, for the financial year ended March 31, 2023. The Report given by the Secretarial Auditor is annexed herewith and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the below:

The Internal Audit has been done by the internal team of the Company due to the size and operations of the Company with no revenue during the period 01st April 2022 to 13th February 2023. However, the company has appointed M/s Ganta & Co, Chartered Accountants (FRN: 018068S) as the Internal Auditor of the Company w.e.f 14th February 2023.

**Management Reply:**

The company in the board meeting held on 14th February 2023 has appointed M/s Ganta & Co, Chartered Accountants (FRN: 018068S) as the Internal Auditor of the Company.

**24. Secretarial standards:**

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

**25. No Frauds reported by statutory auditors**

During the Financial Year 2022-2023, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**26. Conservation of energy, technology absorption and foreign exchange outgo:**

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



**A. Conservation of Energy:**

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

**B. Technology Absorption:**

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

**C. Foreign Exchange Earnings and Out Go: Foreign Exchange Earnings: Rs. NIL Foreign Exchange Outgo: Rs. NIL**

**27. Corporate social Responsibility Policy:**

The Company was not required to constitute Corporate Social Responsibility (CSR) Committee as the company has not met any of the thresholds mentioned in section 135 of the Companies Act, 2013 during the financial year under review. Hence reporting about the policy on Corporate Social Responsibility and initiative taken are not applicable to the company.

**28. Particulars of loans, guarantees or investments:**

The company has not given loans, Guarantees or made any investments during the year under review.

**29. Listing Of Equity Shares**

Your company shares are listed with the Bombay Stock Exchange of India Limited.

**30. Cost records and cost audit:**

The company is not required to maintain cost records as specified by the central government under sub section (1) of section 148 of the Companies Act, 2013.

**31. Disclosure of internal financial controls:**

The Company has in place adequate internal control systems, which commensurate with its size, nature of business and complexity of its operations and are designed to provide a reasonable degree of assurance regarding the effectiveness and efficiency of operations, the

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## Fourth Generation Information Systems Limited

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adequacy of safeguard for assets, internal control over financial reporting, and compliance with applicable laws and regulations. Internal audit function evaluates the adequacy of and compliance with policies, plans, regulatory and statutory requirements.

The Internal Auditors directly report to the Board's Audit Committee, thus ensuring the independence of the process. It also evaluates and suggests improvement in effectiveness of risk management, controls and governance process. The Audit committee and Board provides necessary oversight and directions to the Internal audit function and periodically reviews the findings and ensures corrective measures are taken.

### **32. Risk management policy:**

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

### **33. Particulars of Employees & Employee relations:**

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

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 134(3) (q) of the Companies Act, 2013 read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, no such particulars in this regard are annexed.

### **34. Industry based disclosures as mandated by the respective laws governing the company:**

The Secretarial audit report for the financial year 2022-23 has briefed on compliance of industry-based disclosures and concerned laws governing the company.

### **35. Vigil mechanism:**

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

**36. Insider Trading Regulations**

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations). The Code is applicable to all Directors and such Designated Employees and other connected persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. [www.fgisindia.com](http://www.fgisindia.com).

**37. Declaration of Compliance of Code of Conduct:**

The Company has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company. Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards and that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2022-2023. A Declaration in this regard is herewith attached with this annual report

**38. Prevention of sexual harassment at workplace:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at [www.fgisindia.com](http://www.fgisindia.com).

As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment.

During the year under review, there were no Complaints pertaining to sexual harassment.

**39. Particulars of contracts or arrangement with related parties:**

The company does not have any transactions with related parties as falls under the scope of Section 188(1) of the Act read with relevant rules.

**40. Other Disclosures:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme referred to in this Report.

**41. The details of application made or any proceeding pending under the insolvency and bankruptcy code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.**

Not Applicable

**42. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof**

Not Applicable

**43. Appreciation & acknowledgement:**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

**By order of the Board of Directors  
For Fourth Generation Information Systems Limited**

Sd/-

**C. N. Somasekhara Reddy  
Managing Director  
DIN: 02441810**

**Date: 30th August 2023  
Place: Hyderabad**

**CERTIFICATE OF COMPLIANCE WITH  
THE CODE OF CONDUCT POLICY:**

The Company has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company.

Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards.

I hereby confirm that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2022-2023.

**By order of the Board of Directors  
For Fourth Generation Information Systems Limited**

**Sd/-**

**C. N. Somasekhara Reddy  
Managing Director  
DIN: 02441810**

**Date: 30th August 2023  
Place: Hyderabad**

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### 1. Industry Structure and Developments:

The business trends in the field software development are slow down due to machine automation and artificial intelligence. The new technological evolution is taking place, the phase of software industry is transforming into hardware specific software. As hand held device oriented software is picking up due to volume users. Emerging of technologies also gives opportunities for growth.

### 2. Opportunities and Threats:

Though the overall scenario for the smaller companies is extremely competitive, there are some niche areas where there are some opportunities for growth. The management is exploring the opportunities in the area hardware based software products. The management is exploring these areas to consider entering these areas and develop expertise in such areas.

### 3. Segment wise or Product wise Performance:

Not applicable

### 4. Outlook:

The management is doing its best to forge relations with other companies and take the company forward in the new business lines. However, the outlook of the management is cautious in view of the competitive nature of the market.

### 5. Risks and Concerns:

While venturing into new business lines, the company would need access to funds. The risk of not being able to raise funds at the timer needed is the biggest risk that the management foresees.

### 6. Internal Control Systems:

The Company has adequate internal control systems commensurate with the size and the nature of business of the Company. The internal control system is constantly assessed and strengthened with tighter control procedures. The internal control systems ensure effectively of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets, and accurate reporting of financial transactions. The audit committee periodically reviews the adequacy and efficacy of the said internal control systems. All the issues relating to internal control systems are resolved by the audit committee.

### 7. Discussion on financial performance with respect to operational performance:

In view of the fall in extent of operations and the delay in materialization of the new business lines, the revenue of the company has seen a further

dip. Also, the management has decided to adopt even more prudential accounting norms as a matter of conservative accounting. This measure, which will definitely help the company in the future, has led to certain write offs.

**8. Human resource development and industrial relations:**

The Company recognizes the importance and contribution of the employees. Human Resource is viewed to be as one of the most important factor in the growth process with a view to cross further frontiers in business performance, the Company strives to organize training modules for understanding and improving the core skills of the employees. It is the continuous effort by the Company that helps to provide the right environment in order to maximize team efforts while exploiting individual growth potential in the right manner. The Directors record their appreciation of the support and continued contribution of all employees towards the growth of the Company.

**9. Disclosure of Accounting Treatment:**

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction.

**10. Financial Performance:**

As on 31st March 2023, The authorized capital of the company stands at Rs. 12,95,00,000/- divided into 1,29,50,000 equity shares of Rs.10/- each.

The Issued, Subscribed and Paid Up Capital of the company at Rs. 3,55,00,000/- divided into 35,50,000 equity shares of Rs.10/- each.

The net loss for the financial year ending 31st March 2023 is Rs. 15.64 Lakhs as compared to the loss of Rs. 7.50 Lakhs in the previous financial year ending 31st March 2022.

By order of the Board of Directors for Fourth Generation Information Systems Limited

**Sd/-**

**C. N. Somasekhara Reddy**

**Managing Director**

**DIN: 02441810**

**Place: Hyderabad**

**Date: 30th August 2023**

## Fourth Generation Information Systems Limited



**Neha Pamnani**

8-3-318/6/10, Yellareddy Guda Ameerpet, Hyderabad – 500073, Telangana

Email:nehapamnani810@gmail.com Phone: +91 8107715201, +91 7093619053

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of  
Fourth Generation Information Systems Limited  
Flat No 301, Saai Priya Apartment  
H.No 6-3-663/7/6/301, Jaffer Ali Bagh,  
Somajiguda, Hyderabad,  
Telangana - 500082

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Fourth Generation Information Systems Limited having CIN L72200TG1998PLC029999 and registered office at Flat No 301, Saai Priya Apartment, H.No 6-3-663/7/6/301, Jaffer Ali Bagh, Somajiguda, Hyderabad, Telangana - 500082, India(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations,2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	*Date of appointment in Company	Date of cessation in company
1.	Somasekhareddy Nallapa Reddy Chittoor	02441810	31/07/2010	-
2.	Srivenkata Ramana Tammiseti	03195303	31/07/2010	-
3.	Archana Racha	08517794	30/08/2021	-
4.	Venkateswar Rao Nellutla	09261084	30/08/2021	-
5.	Santosh Reddy Sripathi	09663143	14/02/2023	

\*the date of appointment is as per the MCA Portal



## **Fourth Generation Information Systems Limited**

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the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Sd/-**

**CS Neha Pamnani**  
**Company Secretary in Practice**  
**M No: A44300**  
**COP: 24045**  
**PR: 1535/2021**

**Date: 30th August 2023**  
**Place: Hyderabad**  
**UDIN: A044300E000897152**



**Neha Pamnani**

8-3-318/6/10, Yellareddy Guda Ameerpet, Hyderabad – 500073, Telangana

Email:nehapamnani810@gmail.com Phone: +91 8107715201, +91 7093619053

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023**

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

To,  
The Members

**FOURTH GENERATION INFORMATION SYSTEMS LIMITED**

Flat No 301, Saai Priya Apartment, H. No 6-3-663/7/6/301,

Jaffer Alibagh, Somajiguda, Hyderabad, Telangana - 500082

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fourth Generation Information Systems Limited (CIN L72200TG1998PLC029999) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2023 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by company for the financial year ended on 31st March 2023 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

## Fourth Generation Information Systems Limited

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- (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; **[Not Applicable as there is no foreign investment in/by the company];**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements), Regulations, 2018; **[Not Applicable as there was no reportable event during the period under review];**
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **[Not Applicable as there was no reportable event during the period under review];**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;- **[Not Applicable as there was no reportable event during the period under review];**
  - (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; **[Not Applicable to the company during the audit period];**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not Applicable as there was no reportable event during the period under review];**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [Not Applicable as there was no reportable event during the period under review];
  - (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) The industry Specific Acts, Labour and other applicable laws as provided by the management of the company:

## Fourth Generation Information Systems Limited

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- ii. The listing agreements entered into by the company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

The Internal Audit has been done by the internal team of the Company due to the size and operations of the Company with no revenue during the period 01st April 2022 to 13th February 2023. However, the company has appointed M/s Ganta & Co, Chartered Accountants (FRN: 018068S) as the Internal Auditor of the Company w.e.f 14th February 2023.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, after considering the aforementioned responses to the violations. 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 after considering the aforementioned responses to the violations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, the meetings held at shorter notice were in compliance with SS-1 Secretarial Standard on Meetings of the Board of Directors.

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

## **Fourth Generation Information Systems Limited**

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I further report that based on the information provided and the representation made by the Company, taken on record by the Board of Directors of the Company, in my opinion 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.

I further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc

**Sd/-**

**Neha Pamnani**

**Company Secretary in Practice**

**M No: ACS- 44300**

**CP: 24045**

**PR: 1535/2021**

**UDIN: A044300E000897185**

**Place: Hyderabad**

**Date: 30/08/2023**

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



**Neha Pamnani**

8-3-318/6/10, Yellareddy Guda Ameerpet, Hyderabad – 500073, Telangana

Email:nehapamnani810@gmail.com Phone: +91 8107715201, +91 7093619053

**Annexure A**

**SECRETARIAL AUDIT REPORT**

To

The Members

**FOURTH GENERATION INFORMATION SYSTEMS LIMITED**

Flat No 301, Saai Priya Apartment, H. No 6-3-663/7/6/301,

Jaffer Alibagh, Somajiguda, Hyderabad, Telangana - 500082

**My report of even date is to be read along with this letter**

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**Neha Pamnani**

**Company Secretary in Practice**

**M No: ACS- 44300**

**CP: 24045**

**PR: 1535/2021**

**UDIN: A044300E000897185**

**Place: Hyderabad**

**Date: 30/08/2023**

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## Fourth Generation Information Systems Limited

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### CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY

To

The Board of Directors

Fourth Generation Information Systems Limited

Dear Sirs,

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2023 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**By order of the Board of Directors  
for Fourth Generation Information Systems Limited**

**Place: Hyderabad**

**Date: 29.05.2023**

Sd/-  
**C. N. Somasekhara Reddy**  
Managing Director  
DIN: 02441810

Sd/-  
**Venkateswara Prasad Ratakonda**  
CFO  
PAN: ADCPR2646E

**INDEPENDENT AUDITOR'S REPORT**

To

The Members of

**M/s.FOURTH GENERATION INFORMATION SYSTEMS LIMITED**

Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying Standalone financial statements of **FOURTH GENERATION INFORMATION SYSTEMS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of profit and loss (including Other Comprehensive Income), the cash flow Statement and the statement of changes in equity and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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



**Emphasis of Matter**

- (i) In respect of debtors which are outstanding for long term, we have carried out independent external confirmation from the parties, the response for such independent confirmations were not received and the management has not obtained periodical confirmations. Those debtors are subject to confirmation.
- (ii) In regard to other receivables outstanding for long term, we have carried out independent external confirmation from the parties, the response for such independent confirmations were not received and the management has not obtained periodical confirmations. Those receivables are subject to confirmation.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

“We have determined that there are no key audit matters to communicate in our report.”

Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers”	
Key audit matter description	Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers”  The application of the revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. And also the required disclosure as specified by the said standard.

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## Fourth Generation Information Systems Limited

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<p>Audit Procedures</p>	<p>We have assessed the processes adopted by the company in identifying performance obligations laid down by the company to identify the impact of adoption of the revenue accounting standard and also the revenue recognition criteria said by the company.</p> <p><b>The procedures performed included the following:</b></p> <ul style="list-style-type: none"><li>• Evaluated the design of internal controls relating to implementation of the revenue accounting standard;</li><li>• Review terms and conditions of continuing and new contracts on sample basis and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li><li>• We have carried out procedures involving inspection and examination of evidence which include the underlying supporting documents, internal and external supporting records in respect of transactions with the customers in relation to the continuing and new contractor and</li><li>• In respect of significant continuing and new contracts, we performed the following procedures:<ul style="list-style-type: none"><li>i. Read and analysed contracts to understand terms and conditions to ascertain the distinct performance obligations in such contracts;</li><li>ii. Compared such performance obligations with that identified and recorded by the Company;</li><li>iii. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration;</li><li>iv. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li></ul></li></ul>
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### **Other Information**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

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

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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## Fourth Generation Information Systems Limited

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

#### **We also:**

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Fourth Generation Information Systems Limited

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, The Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of the section 197 of the Act.

## **Fourth Generation Information Systems Limited**

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- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements.
  - ii. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For NSVR & ASSOCIATES LLP**  
**Chartered Accountants,**  
**Firm Reg No: 008801S/S200060**

**Sd/-**  
**CA.N.SRINIVASU**  
**Partner**  
**Membership No: 209453**  
**UDIN: 23209453BGYBSG9997**

**Place: Hyderabad**  
**Date: 29/05/2023.**

**Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**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 FOURTH GENERATION INFORMATION SYSTEMS LIMITED ("the Company") as of 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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



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## Fourth Generation Information Systems Limited

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

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

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

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, The Company has an adequate internal financial control system. But, The Company needs to strengthen the Internal Financial Controls in regard to agreements with Technical Consultants, Bad Debts, Intangible Assets, Trade Receivables and Other Receivables confirmations. Based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For NSVR & ASSOCIATES LLP**  
**Chartered Accountants,**  
**Firm Reg No: 008801S/S200060**

**Sd/-**  
**CA.N.SRINIVASU**  
**Partner**  
**Membership No: 209453**  
**UDIN: 23209453BGYBSG9997**

**Place: Hyderabad**  
**Date: 29/05/2023.**

**Annexure – B to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the **FOURTH GENERATION INFORMATION SYSTEMS LIMITED** on the Standalone Financial Statements for the period ended 31st March 2023, we report that:

**1.1 In respect of its Fixed Assets:**

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

**2.1 In respect of its Inventories:**

Since the company does not have any inventory this clause is not applicable to the company.

- 3.1 The Company has not granted any loans, secured or unsecured during the period. Thus, paragraphs 3 (iii) of the order is not applicable to the company.
- 4.1 In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section 185 and 186 of the Act.
- 5.1 The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and rules framed there under.
- 6.1 The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- 7.1 According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the appropriate authorities have generally been regularly deposited during the year by the Company with the appropriate authorities.

## Fourth Generation Information Systems Limited

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- 7.2 According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or Goods and Services Tax or duty of customs or duty of excise or value added tax which have not been deposited by the company on account of dispute: NIL
- 8.1 According to the information, the company doesn't have any undisclosed or unrecorded income during the year.
- 9.1 According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks.
- 10.1 In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been used by the Company during the year for the purpose for which they were raised.
- 11.1 To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 12.1 In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company
- 13.1 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- 14.1 In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 15.1 According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.

## Fourth Generation Information Systems Limited

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- 16.1 According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- 17.1 The company has incurred the cash losses in the current financial year.
- 18.1 During the year, there was no resignation of the statutory auditors and accordingly this clause is not applicable
- 19.1 According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- 20.1 There is no amount to be spent for other than ongoing projects towards corporate social responsibility (CSR). Hence, reporting under clause 3(xx)(a) of the order is not applicable for the year.

The Company does not have any ongoing projects relating to CSR. Hence, reporting under clause 3(xx)(b) of the order is not applicable

**For NSVR & ASSOCIATES LLP**  
**Chartered Accountants,**  
**Firm Reg No: 008801S/S200060**

**Sd/-**  
**CA.N.SRINIVASU**  
**Partner**  
**Membership No: 209453**  
**UDIN: 23209453BGYBSG9997**

**Place: Hyderabad**  
**Date: 29/05/2023.**

# Fourth Generation Information Systems Limited

## BALANCE SHEET AS AT 31st MARCH 2023

( Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I</b>	<b><u>ASSETS:</u></b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	28,05,153	-
	(b) Capital work-in-progress		-	-
	(c) Goodwill		-	-
	(d) Other Intangible Assets		-	-
	(e) Intangible Assets under development		-	-
	(f) Financial assets			
	(i) Investments		-	-
	(ii) Other Financial Assets		-	-
	(g) Deferred tax assets (net)		-	-
	(h) Other non-current assets		-	-
(2)	<b>Current assets</b>			
	(a) Inventories		-	-
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	3	33,53,940	33,53,940
	(iii) Cash and cash equivalents	4	1,11,579	26,794
	(iv) Bank Balances other than (iii) above		-	-
	(v) Loans and advances	5	71,33,609	65,37,809
	(vi) Investments held for Sale		-	-
	(c) Other current assets		-	-
	<b>TOTAL ASSETS</b>		<b>1,34,04,281</b>	<b>99,18,543</b>
<b>II</b>	<b><u>EQUITY AND LIABILITIES:</u></b>			
	<b>Equity</b>			
	(a) Equity Share Capital	6	3,55,00,000	3,55,00,000
	(b) Other Equity			
	(i) Reserves and Surplus	7	(3,95,27,006)	(3,79,63,120)
	<b>Liabilities</b>			
(1)	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(b) Provisions		-	-
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	8	38,28,824	26,86,000
	(ii) Trade Payables	9	1,20,81,364	81,74,564
	(iii) Other financial liabilities		-	-
	(b) Other current liabilities	10	1,47,462	1,47,462
	(c) Provisions	11	9,19,001	9,19,001
	(d) Deferred tax liabilities(Net)	12	4,54,636	4,54,636
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,34,04,281</b>	<b>99,18,543</b>
	<b>Significant accounting policies and notes to accounts</b>	1 to 23	-	-

The Notes referred to above and the notes to accounts form an integral part of the Balance Sheet

For NSVR & ASSOCIATES LLP,  
Firm Registration Number : 08801S/S200060  
Chartered Accountants

For and on behalf of the Board of Directors of  
FOURTH GENERATION INFORMATION SYSTEMS LTD

CA.N.SRINIVASU  
Partner  
Membership No. 209453  
UDIN:23209453BGYBSG9997

Sd/-  
C. N. Somasekhara Reddy  
Managing Director  
DIN: 02441810

Sd/-  
T. Srivenkata Ramana  
Director  
DIN:03195303

Place : Hyderabad  
Date : 29-05-2023

## Fourth Generation Information Systems Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2023

(Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
I	Revenue from operations	13	-	-
II	Other Income		-	-
III	<b>Total Income (I+II)</b>		-	-
IV	<b>Expenses:</b>			
	Cost of raw material and components consumed		-	-
	Employee Benefits Expense	14	1,20,000	1,59,500
	Depreciation and Amortization Expense	2	5,05,847	-
	Other Expenses	15	9,38,039	5,90,249
	<b>Total Expenses</b>		<b>15,63,886</b>	<b>7,49,749</b>
V	Profit before tax (III-IV)		(15,63,886)	(7,49,749)
VI	Tax Expense			
	- Current tax		-	-
	- Deferred tax		-	-
VII	Profit for the period (V-VI)		<b>(15,63,886)</b>	<b>(7,49,749)</b>
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)		-	-
IX	Total Comprehensive Income (VII+VIII)		<b>(15,63,886)</b>	<b>(7,49,749)</b>
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic		(0.44)	(0.21)
	- Diluted		(0.44)	(0.21)
	<b>Significant accounting policies and notes to accounts</b>	1 to 23		

For NSVR & ASSOCIATES LLP,  
Firm Registration Number : 08801S/S200060  
Chartered Accountants

For and on behalf of the Board of Directors of  
FOURTH GENERATION INFORMATION SYSTEMS LTD

CA.N.SRINIVASU  
Partner  
Membership No. 209453  
UDIN:23209453BGYBBSG9997

Sd/-  
C. N. Somasekhara Reddy  
Managing Director  
DIN: 02441810

Sd/-  
T. Srivenkata Ramana  
Director  
DIN:03195303

Place : Hyderabad  
Date : 29-05-2023

## Fourth Generation Information Systems Limited

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2023

PARTICULARS	Year ended 31-03-2023 Amount in Rs.	Year ended 31-03-2022 Amount in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	(15,63,886)	(7,49,749)
<b>Adjustment for:</b>		
Depreciation and Amortisation	5,05,847	-
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(10,58,039)	(7,49,749)
<b>Movements in Working Capital:</b>		
(Increase)/ Decrease in trade receivables	-	-
(Increase)/Decrease in Short Term Loans Advances	(5,95,800)	(1)
(Increase) / Decrease in Inventories	-	-
Increase / (Decrease) in Trade Payables	39,06,800	1
Increase / (Decrease) in Short Term Provision	-	-
Increase/(Decrease) in Other current liabilities	-	-
<b>Change in Working Capital</b>	<b>33,11,000</b>	<b>-</b>
<b>Changes in non current assets and liabilities</b>		
Decrease/(Increase) in loans & advances	-	-
Decrease/(Increase) in Long Term Provisions	-	-
<b>Changes in non current assets and liabilities</b>	<b>-</b>	<b>-</b>
<b>Cash Generated From Operations</b>	<b>22,52,961</b>	<b>(7,49,749)</b>
Less: Taxes paid	-	-
<b>Net Cash from operating activities(A)</b>	<b>22,52,961</b>	<b>(7,49,749)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Fixed assets and Capital Work In progress	(33,11,000)	-
Bank Balances not considered as Cash and Cash equivalents	-	-
Investment in equity Shares	-	-
<b>Net cash used in Investing activities (B)</b>	<b>(33,11,000)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Share Capital	-	7,30,000
Increase / (Decrease) in Borrowings	11,42,824	-
Interest paid	-	-
<b>Net cash Flow from Financing Activities ( C )</b>	<b>11,42,824</b>	<b>7,30,000</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>84,785</b>	<b>(19,749)</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	26,794	46,543
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>1,11,579</b>	<b>26,794</b>

For NSVR & ASSOCIATES LLP,  
Firm Registration Number : 08801S/S200060  
Chartered Accountants

For and on behalf of the Board of Directors of  
FOURTH GENERATION INFORMATION SYSTEMS LTD

CA.N.SRINIVASU  
Partner  
Membership No. 209453  
UDIN:23209453BGYBSG9997

Sd/-  
C. N. Somasekhara Reddy  
Managing Director  
DIN: 02441810

Sd/-  
T. Srivenkata Ramana  
Director  
DIN:03195303

Place : Hyderabad  
Date : 29-05-2023



## Fourth Generation Information Systems Limited

### Statement of Changes in Equity For the year ended 31 March 2023

#### a. Equity share capital

(Amount in Rs.)	
	Amount
Balance as at the 1 April 2021	3,55,00,000
Changes in equity share capital during 2021-2022	-
<b>Balance as at the 31 March 2022</b>	<b>3,55,00,000</b>
Changes in equity share capital during 2022-2023	-
<b>Balance as at the 31 March 2023</b>	<b>3,55,00,000</b>

#### b. Other equity

(Amount in Rs.)					
	Share Warrants	Reserves and surplus		Items of Other comprehensive income (OCI)	Total
		General Reserves	Retained earnings	Others	
Balance at 1 April 2021	-	6,00,000	(3,78,13,371)	-	(3,72,13,371)
<b>Total comprehensive income for the year ended 31 March 2022</b>					
Profit or loss		-	(7,49,749)	-	(7,49,749)
Other comprehensive income (net of tax)		-	-	-	-
<b>Total comprehensive income</b>		-	<b>(7,49,749)</b>	-	<b>(7,49,749)</b>
Transactions with owners in their capacity as owners directly in equity	-	-	-	-	-
<b>Balance at 31 March 2022</b>	-	<b>6,00,000</b>	<b>(3,85,63,120)</b>	-	<b>(3,79,63,120)</b>
<b>Total comprehensive income for the year ended 31 March 2023</b>					
Profit or loss		-	(15,63,886)	-	(15,63,886)
Other comprehensive income (net of tax)		-	-	-	-
<b>Total comprehensive income</b>		-	<b>(15,63,886)</b>	-	<b>(15,63,886)</b>
Transactions with owners in their capacity as owners			-	-	-
<b>Balance at 31 March 2023</b>	-	<b>6,00,000</b>	<b>(4,01,27,006)</b>	-	<b>(3,95,27,006)</b>

For NSVR & ASSOCIATES LLP,  
Firm Registration Number : 08801S/S200060  
Chartered Accountants

For and on behalf of the Board of Directors of  
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CA. N. SRINIVASU  
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Managing Director  
DIN: 02441810

Sd/-  
T. Srivenkata Ramana  
Director  
DIN:03195303

Place : Hyderabad  
Date : 29-05-2023

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

	Buildings	Furniture and Fixtures	Office Equipment	Total
<b>Deemed cost (gross carrying amount)</b>				
Balance at 1 April 2021	11,50,085	32,01,184	5,63,885	49,15,154
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>11,50,085</b>	<b>32,01,184</b>	<b>5,63,885</b>	<b>49,15,154</b>
Additions	-	-	33,11,000	33,11,000
Disposals	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>11,50,085</b>	<b>32,01,184</b>	<b>38,74,885</b>	<b>82,26,154</b>
<b>Accumulated depreciation at 1 April 2021</b>				
Depreciation for the year	11,50,085	32,01,184	5,63,885	49,15,154
<b>Balance at 31 March 2022</b>	<b>11,50,085</b>	<b>32,01,184</b>	<b>5,63,885</b>	<b>49,15,154</b>
Depreciation for the year	-	-	5,05,847	5,05,847
<b>Balance at 31 March 2023</b>	<b>11,50,085</b>	<b>32,01,184</b>	<b>10,69,732</b>	<b>54,21,001</b>
<b>Carrying amounts(net)</b>				
At 1 April 2021	-	-	-	-
At 31 March 2022	-	-	-	-
At 31 March 2023	-	-	28,05,153	28,05,153

## Fourth Generation Information Systems Limited

**NOTE NO: 3 Trade receivables**

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	33,53,940	33,53,940
(b) Outstanding for a period not exceeding six months Unsecured, considered good	-	-
	<b>33,53,940</b>	<b>33,53,940</b>

**NOTE NO: 4 CASH AND CASH EQUIVALENTS:**

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	1,11,461	26,676
(b) Cheques in Hand	-	-
(c) Cash on Hand	118	118
	<b>1,11,579</b>	<b>26,794</b>

**NOTE NO: 5 Short term LOANS & ADVANCES**

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
Advances to Customers	44,25,000	44,25,000
Other receivables	21,07,621	21,07,621
TDS Receivable	-	-
GST receivable	6,00,988	5,188
	<b>71,33,609</b>	<b>65,37,809</b>

## Fourth Generation Information Systems Limited

**NOTE NO: 6: EQUITY SHARE CAPITAL:**

PARTICULARS	As At March 31,2023		As At March 31,2022	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b> Equity Shares of Rs. 10/- each	12,95,00,000	1,29,50,00,000	12,95,00,000	1,29,50,00,000
<b>Issued, Subscribed and Paid up</b> Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to ( d ) below)	35,50,000	3,55,00,000	35,50,000	3,55,00,000
<b>Total</b>	<b>35,50,000</b>	<b>3,55,00,000</b>	<b>35,50,000</b>	<b>3,55,00,000</b>

**Foot note:**

(a) Reconciliation of the number of shares outstanding as at March 31, 2023, March 31, 2022, March,2021 and April 1, 2020:

PARTICULARS	As At March 31,2023		As At March 31,2022	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares outstanding at the beginning of the year	35,50,000	3,55,00,000	35,50,000	3,55,00,000
Equity Shares Issued during the year for Cash	-	-	-	-
Equity Shares Issued during the year for other than cash*	-	-	-	-
Equity Shares bought back during year	-	-	-	-
Equity Shares outstanding at the end of the year	35,50,000	3,55,00,000	35,50,000	3,55,00,000

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

PARTICULARS	As At March 31,2023		As At March 31,2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
I) Sunitha	4,77,999	13.46%	4,77,999	13.46%
II) C N Somasekhar Reddy	4,50,038	12.68%	4,50,038	12.68%
III) T. Srivenkatara mana	2,11,001	5.94%	2,11,001	5.94%

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

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

## Fourth Generation Information Systems Limited

### NOTE NO: 7 Reserves and Surplus

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
<b>(a) General Reserves:</b>	6,00,000	6,00,000
<b>(b) Retained earnings:</b>		
Opening balance	(3,85,63,120)	(3,78,13,371)
(+) Net profit during the year	(15,63,886)	(7,49,749)
Closing balance	<b>(4,01,27,006)</b>	<b>(3,85,63,120)</b>
<b>(c) Other Comprehensive income:</b>	-	-
<b>Total (a+b+c)</b>	<b>(3,95,27,006)</b>	<b>(3,79,63,120)</b>

### NOTE NO: 8 Short term Borrowings

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
Borrowings from Related Parties	38,28,824	26,86,000
	<b>38,28,824</b>	<b>26,86,000</b>

### NOTE NO: 9 Trade Payables

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
<b>Dues to Micro, Small and Medium Enterprises</b>		
Sundry creditors	1,03,67,651	64,60,851
Expenses Payable	17,13,713	17,13,713
	<b>1,20,81,364</b>	<b>81,74,564</b>

## Fourth Generation Information Systems Limited

### NOTE NO: 10 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	-	-
(b) Expenses Payable	27,462	27,462
(c) Security deposits from customers	-	-
(d) Employee Benefits Payable	1,20,000	1,20,000
	<b>1,47,462</b>	<b>1,47,462</b>

### NOTE NO: 11 Short Term Provisions

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
Other provisions	9,19,001	9,19,001
	<b>9,19,001</b>	<b>9,19,001</b>

### NOTE NO: 12 Deffered Tax liabilities

PARTICULARS	As at March 31, 2023	As at March 31, 2022
	Amount in Rs.	Amount in Rs.
Opening Balance	4,54,636	4,54,636
Add/less changes during Period	-	-
	<b>4,54,636</b>	<b>4,54,636</b>

## Fourth Generation Information Systems Limited

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NOTE NO: 13

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PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
	Amount in Rs.	Amount in Rs.
Revenue from operations	-	-
	-	-

NOTE NO: 0 Other Income

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
	Amount in Rs.	Amount in Rs.
<b>Non Operating Income</b>		
Finance Income on		
Deposits with bank	-	-
Others	-	-
	-	-

NOTE NO: Cost of raw material and components consumed

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
	Amount in Rs.	Amount in Rs.
Inventory at the beginning of the year	-	-
Add: Purchases	-	-
Less: inventory at the end of the year	-	-
<b>Cost of raw material and components consumed</b>	-	-

## Fourth Generation Information Systems Limited

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**NOTE NO: 14 EMPLOYEE BENEFITS EXPENSE:**

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages	1,20,000	1,59,500
(b) Contribution to provident and other funds	-	-
(c) Directors Remuneration	-	-
(d) Staff welfare expenses	-	-
	<b>1,20,000</b>	<b>1,59,500</b>

**NOTE NO: 15 OTHER EXPENSES:**

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
	Amount in Rs.	Amount in Rs.
Advertisement Expenditures	25,084	16,524
Bank Charges	103	129
RTA Charges	86,248	80,000
Listing Fees	7,51,604	3,64,620
Company Secretariat Fee	75,000	1,25,000
Web designer	-	-
Costodian fees	-	-
For Audit Fees	-	-
Others	-	1,452
Office Maintenance	-	2,524
	<b>9,38,039</b>	<b>5,90,249</b>



## **1. NOTES TO STANDALONE FINANCIAL STATEMENTS**

### **DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 General Information**

**FOURTH GENERATION INFORMATION SYSTEMS LIMITED** (“the company”) and its subsidiaries (together “the group”) are engaged in the IT and IT enabling services (ITES) provider. The company has business operations mainly in India. The company is a public limited company incorporated and domicile in India and has its registered office at Flat No.301, Saipriya Apartments, Hno.6-3-663/7/6/301, Jafferlibagh, Somajiguda, Hyderabad- 500082. The company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The principle accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **1.2 Basis of preparation and presentation of Financial Statements**

The financial statements of **FOURTH GENERATION INFORMATION SYSTEMS LIMITED** (“FGISL” or “the company”) have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon IndAS Schedule III of Companies Act, 2013.

#### **1.3 Basis of Measurement**

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- a. Derivative financial instruments are measured at fair value.
- b. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- c. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- d. Long-term borrowings are measured at amortized cost using the effective interest rate method.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the

criteria of realization/settlement within twelve months period from the balance sheet date.

### **1.4 Use of estimates and judgment**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

#### **a. Depreciation and amortization**

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

#### **b. Employee Benefits**

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

#### **c. Provision and contingencies**

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

#### **d. Fair valuation**

Fair value is the market-based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgment is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair

values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.

### **e. Functional and presentation currency**

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs.

### **1.5 Current and noncurrent classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within twelve months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification

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## Fourth Generation Information Systems Limited

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Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

### 1.6 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

### 1.7 Property Plant & Equipment

#### Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

#### Directly attributable costs include:

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.
- d. Professional Fees and
- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

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## Fourth Generation Information Systems Limited

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

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

### Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on the Companies Act, 2013 (“Schedule II”), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Audio & Video systems	2
Electrical items	10
AC'S/UPS/Stabilizers	5
Vehicles	8
Computers	3
Office Equipment	5
Furniture & Fixtures	10

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## Fourth Generation Information Systems Limited

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Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

### 1.8 Intangible assets

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

#### Amortization

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefit are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

Type of Asset	Estimated useful life
Intangible Assets	
Computer Software	3

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

### 1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a. Financial assets

Initial recognition and measurement

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## Fourth Generation Information Systems Limited

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All financial assets are recognized 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### **Subsequent measurement**

#### **Debt instrument at FGISL**

Debt instruments included within the FGISL category are measured at fair value with all changes recognized in the statement of profit and loss. The Company has not designated any debt instrument as at FGISL.

#### **Investment in Preference Shares and Unquoted trade Investments**

Investment in Preference Shares and Unquoted trade Investments are measured at amortized cost using Effective Rate of Return (EIR).

#### **Investment in equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FGISL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income 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.

If the Company decides to classify an equity instrument as at FGISL, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

#### **Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### **Impairment of trade receivables**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. As company trade receivables are realized within normal credit period adopted by the company, hence the company trade receivables are not impaired except for certain customers for which adequate provision has been made on the same.

### **b. Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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. The EIR amortization is included as finance costs in the statement of profit and loss.

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

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31st.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying

amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **1.10 Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits, balance in dividend accounts which are not due and unclaimed dividend balances shall be disclosed as restricted cash balances.

### **1.11 Employee Benefits**

#### **a. Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **b. Defined Contribution Plan**

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

#### **c. Defined Benefit Plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market

yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

### **d. Termination benefits**

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### **e. Other long-term employee benefits**

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

## **1.12 Provisions, contingent liabilities and contingent assets**

### **Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is

used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **Contingent liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **Contingent assets**

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

## **1.13 Revenue Recognition**

### **Sale of goods and services**

Revenue is recognized when the Company substantially satisfied its performance obligation while transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Unbilled revenue represents amounts recognized based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses. Revenues from annual maintenance contracts are recognized pro-rata over the period of the contract in which the services are rendered.

Revenue from sale of licenses, hardware and other related items are recognized when the significant risk and rewards of ownership and title of the product is transferred to the buyer which generally coincides with acknowledgement of delivery. The value of sale is net of taxes.

### **Other Income**

#### **Interest Income**

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

#### **1.14 Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing cost also include Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

#### **1.15 Tax Expenses**

**Tax expense consists of current and deferred tax.**

##### **Income Tax**

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

##### **Deferred Tax**

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

### **1.16 Earnings per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **1.17 Trade receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment, if any.

### **1.18 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Fair value which is determined for disclosure purposes is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the company's borrowings that floating rates of interest, their fair value approximates carrying value.

#### **(a) Depreciation and amortization**

Depreciation and amortization are based on management estimates of the future use full lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in the market conditions and other factors and may result in changes in the estimated useful life and may result in changes in the estimated useful life and the depreciation and amortization charges.

**(b) Employee benefits**

The present value of the defined benefit obligations depends on a number of factors that are determined on an accrual basis using various assumptions. The assumptions used in determining the net cost/ (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian government and securities as at the balance sheet date for the estimated term of the obligations.

**(c) Trade receivables**

The credit worthiness of Trade receivables and the credit terms set are determined on a case to case basis and the management has factored in the uncertainties arising out of covid -19, as applicable. Based on other internal and external sources of information as determined by the management, the company expects to fully recover the carrying amount of trade receivables except from certain customers and the company had made the adequate provision on the same.

The fair value of Trade receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become over due

**2.24 Auditors Remuneration**

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
a) Audit fees	--	--
b) Other charges Taxation matters Certification fee		
c) Reimbursement of out of pocket expenses		
<b>TOTAL</b>	<b>--</b>	<b>--</b>

## Fourth Generation Information Systems Limited

### 2.25 Earnings per Share

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Earnings</b>		
Profit attributable to equity holders	(15,63,886)	(7,49,749)
<b>Shares</b>		
Number of shares at the beginning of the year	35,50,000	35,50,000
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	35,50,000	35,50,000
<b>Weighted average number of equity shares outstanding during the year – Basic</b>	-	-
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
<b>Weighted average number of equity shares outstanding during the year – Diluted</b>	-	-
Earnings per share of par value 10/- -Basic ( ` )	(0.44)	(0.21)
Earnings per share of par value 10/- – Diluted ( ` )	(0.44)	(0.21)

### Related Parties

Subsidiary Company	NIL
Associate Company	NIL
	NIL
Key Management Personnel	Mr. C.N.Somasekhar Reddy, Managing Director
	Mr. T. Sri Venkata Ramana Director

The following is a summary of significant related party transactions:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Sales/Rendering services</b>	NIL	NIL
<b>Purchases/availing Services</b>	NIL	NIL
<b>Remuneration to key Managerial Persons</b>	NIL	NIL
<b>Loans Received/(Repaid)</b>		
Northward Projects Pvt Ltd	30,36,000	26,86,000
Somasekhar Reddy -Director	7,92,824	--
<b>Advances given/(taken)</b>	NIL	NIL
<b>Directors sitting fees</b>	Nil	Nil



## Fourth Generation Information Systems Limited

### 2.26 Earnings/expenditure in foreign currency:

#### Expenditure in Foreign Currency:

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Purchase of Licenses	-	--
Travelling & Other expenses		-
<b>Total</b>	-	--

#### Earnings in Foreign currency:-

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
FOB Value of Exports	NIL	NIL
<b>Total</b>	NIL	NIL

### 2.27 Segment Reporting:

The Company concluded that there is only one operating segment i.e., IT and IT Enabling Services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

### 2.28 Employee benefits:

#### Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Life Insurance Corporation of India (LIC).

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31<sup>st</sup> March 2023 and 2022 consist of the following:

Particulars	For the Years ended 31 <sup>st</sup> March	
	2023	2022
Current service cost	NIL	NIL
Interest on net defined benefit liability/(asset)	NIL	NIL
<b>Gratuity cost recognized in statement of profit and loss</b>	NIL	NIL

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Details of the employee benefits obligations and plan assets are provided below:

Particulars	As of 31 <sup>st</sup> March	
	2023	2022
Present value of funded obligations	-	-
Fair value of plan assets	-	-
<b>Net defined benefit liability / (asset) recognized</b>	<b>--</b>	<b>--</b>

Details of changes in the present value of defined benefit obligations are as follows:

Particulars	As of 31 <sup>st</sup> March	
	2023	2022
<b>Defined benefit obligations at the beginning of the year</b>	-	-
Current service cost	-	-
Interest on defined obligations	-	-
Re-measurements due to:	-	-
Actuarial loss/(gain) due to change in financial assumptions	-	-
Actuarial loss/(gain) due to demographic assumptions	-	-
Actuarial loss/(gain) due to experience changes	-	-
Benefits paid	-	-
Other (Employee Contribution, Taxes, Expenses, adj to Opening Balance)	-	-
<b>Defined benefit obligations at the end of the year</b>	<b>-</b>	<b>-</b>

Details of changes in the fair value of plan assets are as follows:

Particulars	As of 31 <sup>st</sup> March	
	2023	2022
<b>Fair value of plan assets at the beginning of the year</b>	-	-
Employer contributions	-	-
Actuarial loss/(gain) on plan assets	-	-
Re-measurements due to:		
Return on plan assets excluding interest on plan assets		
Benefits paid	-	-
Other (Employee Contribution, Taxes, Expenses, adj to Opening Balance)	-	-
<b>Plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

## Fourth Generation Information Systems Limited

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### Summary of Actuarial Assumptions

The actuarial assumptions used in accounting for the Gratuity Plan are as follows: The assumptions used to determine benefit obligations:

Particulars	As of 31 <sup>st</sup> March	
	2023	2022
Discount rate	0.00%	0.00%
Rate of compensation increase	0.00%	0.00%

### Leave Encashment

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement

### Contribution to Provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

### Contribution to Superannuation schemes

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Life Insurance Corporation of India. The Company makes annual contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its annual contributions.

### 2.29 Income Taxes:

Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2023	2022
<b>Current taxes expense</b>		
Domestic	--	--
<b>Deferred taxes expense/(benefit)</b>	--	--
<b>Total income tax expense/(benefit) recognized in the statement of profit and loss</b>	--	--

## Fourth Generation Information Systems Limited

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### a) Reconciliation of Effective tax rate

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2023	2022
<b>Profit before income taxes</b>	--	--
Enacted tax rate in India	25.17%	25.17%
<b>Computed expected tax benefit/(expense)</b>	--	--

<b>Effect of:</b>		
Expenses not deductible for Tax purposes	-	-
Expenses deductible for Tax purposes	-	-
Taxable at Special Rate	-	-
Exempted income form SEZ	-	-
Reversal of excess provision created in previous years	-	-
<b>Income tax benefit/(expense)</b>	-	-
<b>Effective tax rate</b>	<b>0%</b>	<b>0%</b>

The Company's average effective tax rate for the years ended March 31, 2022 and 2021 were 201% and 13.88%, respectively.

### a) **Deferred tax assets & Liabilities:**

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2023	2022
<b><u>Deferred tax assets/(liabilities):</u></b>		
<b>Property, plant and equipment</b>	-	-
Others	-	-
<b>Net deferred tax assets/(liabilities)</b>	-	-

## Fourth Generation Information Systems Limited

### 2.30 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

#### a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has the following categories of financial assets that are subject to credit risk evaluation:

The table provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2023 and 31 March 2022

#### As on 31 March 2023

Particulars	1 Year	1-5 Years	>5Years	Total
<b>Assets</b>				
Trade receivables	--	33,53,940	-	33,53,940
Cash and cash equivalents	118	-	-	118
Bank balances	1,11,461	-	-	1,11,461
Loans and advances	--	65,32,621	-	65,32,621
Other financial assets	--	6,00,988	-	6,00,988
<b>Liabilities</b>				
Trade payables	39,06,800	81,74,564	-	1,20,81,364
Long term borrowings	--	-	-	--
Short term borrowings	11,42,824	26,86,000	-	38,28,824
Other financial liabilities	--	10,66,463	-	10,66,463

## Fourth Generation Information Systems Limited

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**As on 31 March 2022**

Particulars	1Year	1-5Years	>5Years	Total
<b>Assets</b>				
Trade receivables	--	33,53,940	-	33,53,940
Cash and cash equivalents	118	-	-	118
Other bank balances	26,676	-	-	26,676
Loans and advances	--	65,32,621	-	65,32,621
Other financial assets	5,188	-	-	5,188
<b>Liabilities</b>				
Trade payables	--	81,74,564	-	81,74,564
Long term borrowings	--	-	-	--
Short term borrowings	--	26,86,000	-	26,86,000
Other financial liabilities	-	10,66,463	-	10,66,463

## Fourth Generation Information Systems Limited

### 2.31 Financial Instrument:

The carrying value and fair value of financial instruments as at 31 March 2023 and 31 March 2022 were as follows:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Total carrying value	Total fair value/ amortised cost	Total carrying value	Total fair value/ amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	118	118	118	118
Other bank balances	1,11,461	1,11,461	26,676	26,676
Investments	---	--	--	--
Trade receivables	33,53,940	33,53,940	33,53,940	33,53,940
Loans	65,32,621	65,32,621	65,32,621	65,32,621
Other financial assets	6,00,988	6,00,988	5,188	5,188
<b>Total</b>	<b>1,05,99,128</b>	<b>1,05,99,128</b>	<b>99,18,543</b>	<b>99,18,543</b>
<b>Financial liabilities</b>				
Trade payables	1,20,81,364	1,20,81,364	81,74,564	81,74,564
Long-term borrowings	--	--	--	--
Short-term borrowings	38,28,824	38,28,824	26,86,000	26,86,000
Lease Liabilities	-	-	-	-
Other financial liabilities	4,54,636	4,54,636	4,54,636	4,54,636
<b>Total</b>	<b>1,63,64,824</b>	<b>1,63,64,824</b>	<b>1,13,15,200</b>	<b>1,13,15,200</b>

### 2.32 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

#### Capital Management

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

## Fourth Generation Information Systems Limited

The company's Debt Equity ratio is as follows:

Particulars	2023	2022
Total Debt	1,63,64,824	1,13,15,200
Total Equity	3,55,00,000	3,55,00,000
<b>Debt Equity Ratio</b>	<b>0.46:1</b>	<b>0.32:1</b>

### 2.33 Contingent Liabilities and Commitments:

The following are the details of contingent liabilities and commitments:

Particulars	2023	2022
<b>Contingent Liabilities</b>		
Guarantees		
Bank Guarantee	-	--

### 2.36 Ratio analysis

Ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance (in %)
Current ratio (no of times)	Current Assets	Current Liabilities	0.77	1.02	(0.25)
Debt- Equity Ratio (no of times)	Total Debt	Shareholder's Equity	0.46	0.32	0.14
Debt Service Coverage ratio (no of times)	Earnings for debt service	Debt service	0.00	0.00	(0.00)
Return on Equity ratio (%)	Net Profits after taxes	Average Shareholder's Equity	0.00	0.00	(0.00)
Inventory Turnover ratio (no of times)	Cost of goods sold	Average Inventory	0.00	0.00	(0.00)
Trade Receivable Turnover Ratio (no of times)	Revenue	Average Trade Receivable	0.00	0.00	(0.00)
Trade Payable Turnover Ratio (no of times)	Net credit purchases	Average Trade Payables	0.00	0.00	(0.00)
Net Capital Turnover Ratio (no of times)	Revenue	Working capital	0.00	0.00	(0.00)
Net Profit ratio (%)	Net Profit	Revenue	0.00	0.00	(0.00)
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	0.00	0.00	(0.00)
Return on Investment (%)	Income generated from investments	Time weighted average investments	0.00	0.00	(0.00)



### 2.37 Other statutory information:

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

- a. The Company does not have any transactions with struck off companies.
- b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. The Company has not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- g. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

## Fourth Generation Information Systems Limited

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- h. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- i. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
- j. The Company does not have any borrowings from banks or financial institutions against security of its current assets.

For NSVR & ASSOCIATES LLP.,  
Firm Registration Number : 08801S/S200060  
Chartered Accountants

For and on behalf of the Board of Directors of  
FOURTH GENERATION INFORMATION SYSTEMS LTD

CA.N.SRINIVASU  
Partner  
Membership No. 209453  
UDIN:23209453BGYBSG9997

Sd/-  
C. N. Somasekhara Reddy  
Managing Director  
DIN: 02441810

Sd/-  
T. Srivenkata Ramana  
Director  
DIN:03195303

Place : Hyderabad  
Date : 29-05-2023

*If Undelivered, please return to:*

**FOURTH GENERATION  
INFORMATION SYSTEMS LIMITED**

Flat No 301, Saai Priya Apartment,  
H.No 6-3-663/7/6/301, Jaffer Ali Bagh,  
Somajiguda, Hyderabad, Telangana – 500082.  
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