



09<sup>th</sup> December, 2020

To,  
The General Manager  
The Department of Corporate Relations,  
The Bombay Stock Exchange Limited,  
25<sup>th</sup> Floor, P.J. Towers, Dalal Street,  
Mumbai-400001.

Dear Sir/Madam,

**Sub: Notice of 23<sup>rd</sup> Annual General Meeting, Book Closure Dates and submission of Annual Report.**

**Scrip Code – 532972**

.....  
With reference to the subject cited, notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Company will be held on Thursday, 31<sup>st</sup> December, 2020, at 11:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The Register of Members and Share Transfer Books of the Company shall remain closed from 22<sup>nd</sup> December, 2020 to 31<sup>st</sup> December, 2020 (both days inclusive) for the purpose of 23<sup>rd</sup> Annual General Meeting.

In terms of the provisions of the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, please find attached Annual Report for the Financial Year 2019-20 along with the notice calling 23<sup>rd</sup> Annual General Meeting.

You are requested to kindly take the above on records.

Thanking you,  
Yours faithfully,  
**For, SANKHYA INFOTECH LIMITED**



**(Pratik Jain)**  
**Company Secretary and Compliance Officer**



# 23<sup>RD</sup> ANNUAL REPORT 2019-20

**SANKHYA INFOTECH LIMITED**

H.No 1-112/63, 2<sup>nd</sup> Floor,  
W.S.Colony, Near Kims Hospital,  
Kondapur, Hyderabad,  
Telangana-500049

**Tel:** + 91- 6265714101

**E-mail:** comp.officer@sankhya.net

**Website:** www.sankhya.net



## CONTENTS

<b>Sl.No.</b>	<b>Particulars</b>	<b>Page No.</b>
1	Contents	2
2	Company Information	3
3	Notice	4
4	Financial Highlights	7
5	Board's Report	8
6	Report on Corporate Governance	13
7	MGT 9 (Extract of Annual Return)	28
8	Management Discussion and Analysis	36
9	Secretarial Audit Report	38
10	Auditor's Report on Financial Statements	41
11	Balance Sheet	47
12	Profit and Loss Account	48
13	Cash flow statement and Statement of Change in Equity	49~50
14	Significant Accounting Policies and Notes on Accounts	51
15	Notes to Financial Statements	61
16	Balance Sheet Abstract and Company's General Business Profile	77

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Sridhar Krishna (DIN: 00089548)	: Chairman & Managing Director
Mr. Partha Saradhi Pudhota (DIN: 07516057)	: Non-Executive Director
Mr. Ramamohan Reddy Yarragudi (DIN: 08517059)	: Non-Executive Independent Director
Ms. Putcha Sarada (DIN: 08534921)	: Non-Executive Independent Director

### CHIEF FINANCIAL OFFICER

Mr. Sridhar Krishna (Appointed w.e.f. 15/09/2020)

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Pratik Jain (Appointed w.e.f. 05/10/2020)

### BANKERS

IDBI Bank Ltd.  
CBG - Specialized Corporate Branch  
#5-9-89/1 & 2, Chapel Road, Hyderabad – 500001, Telangana

### STATUTORY AUDITORS

Ravi Rajan & Co., Chartered Accountants  
505 A, 5<sup>th</sup> Floor, D-4 Rectangle-1 District Centre, Saket, New Delhi – 110017

### REGISTERED OFFICE

H.No 1-112/63, 2<sup>nd</sup> Floor,  
W.S.Colony, Near Kims Hospital,  
Kondapur, Hyderabad,  
Telangana-500049  
**Tel:** + 91- 6265714101  
**E-mail:** comp.officer@sankhya.net  
**Website:** www.sankhya.net

**ISIN:** INE877A01013  
**CIN:** L72200TG1997PLC045396  
**Listed on:** BSE Limited (BSE)  
**Scrip Code:** 532972

### REGISTRAR & TRANSFER AGENTS

KFin Technologies Private Limited  
Selenium, Tower-B, Plot No. 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana  
Tel: 18003454001  
E-mail: einward.ris@kfintech.com  
Website: www.kfintech.com



## NOTICE

**NOTICE** is hereby given that the Twenty Third (23<sup>rd</sup>) Annual General Meeting of the Members of Sankhya Infotech Limited will be held on Thursday, the 31<sup>st</sup> day of December, 2020, at 11:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended on 31st March, 2020, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sridhar Krishna (DIN: 00089548), who retires by rotation, and being eligible, offers himself for re-appointment.

By Order of the Board  
**Sankhya Infotech Limited**

Sd/-  
**(Sridhar Krishna)**

Chairman & Managing Director  
DIN: 00089548

**Date:** 09.12.2020

**Place:** Hyderabad

### NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. 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.
3. Institutional / Corporate Shareholders (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 to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cs poojaojha18@gmail.com](mailto:cs poojaojha18@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) (e-voting facilitator).
4. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for assistance in this regard.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd December, 2020 to 31<sup>st</sup> December, 2020 (both days inclusive).
6. Members are requested to notify change of address, if any, with pin code to the company or to its Registrar and Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
7. 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 on or before 24.12.2020 to the Secretarial and Investor Relation Department at email id [comp.officer@sankhya.net](mailto:comp.officer@sankhya.net) so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the point(s).
8. Individual Shareholders 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 shareholders may contact M/s. KFin Technologies Private Limited, Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana - 500032, the Registrar and Share Transfer Agent of the Company.
9. 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 transfer of shares in the physical mode. Members may please take a note of the same.
10. Members who wish to inspect, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 can send an email to [comp.officer@sankhya.net](mailto:comp.officer@sankhya.net)
11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

12. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.sankhya.net](http://www.sankhya.net), on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of nsdl i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. At the twentieth AGM held on November 28th 2017 the Members approved appointment of M/s. Ravi Rajan & Co., Chartered Accountants (ICAI Firm Registration Number 009073N), as statutory auditors of the Company to hold office until the conclusion of 25th Annual General Meeting of the Company to be held in the year 2022 which was subject to ratification as per the provisions of Companies Act, 2013. However, pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of statutory auditors at every Annual General Meeting has been dispensed with. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Twenty Third AGM.
16. *The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.*

#### **Voting through electronic means (e-voting):**

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on 28th December, 2020 at 9.00 A.M. and ends on 30<sup>th</sup> December, 2020 at 5:00 P.M.**

**The remote e-voting module shall be disabled by NSDL for voting thereafter.**

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

#### **Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5 Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).





- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cspoojaojha18@gmail.com](mailto:cspoojaojha18@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide 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 [comp.officer@sankhya.net](mailto:comp.officer@sankhya.net).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [comp.officer@sankhya.net](mailto:comp.officer@sankhya.net).

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.-
2. Only those Members/ shareholders, who will be present in the EGM/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 in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**B. Instructions for members for attending the AGM through VC / OAVM are as under:**

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

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
- Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [comp.officer@sankhya.net](mailto:comp.officer@sankhya.net) from 15.12.2020 (9:00 a.m. IST) to 19.12.2020 (5:00 p.m. IST).

Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board

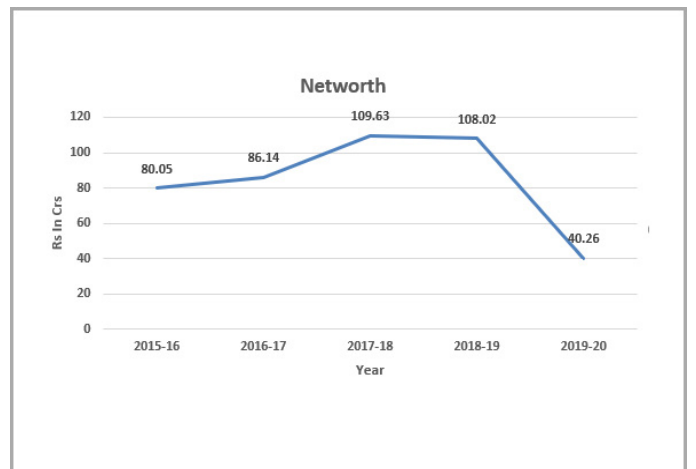
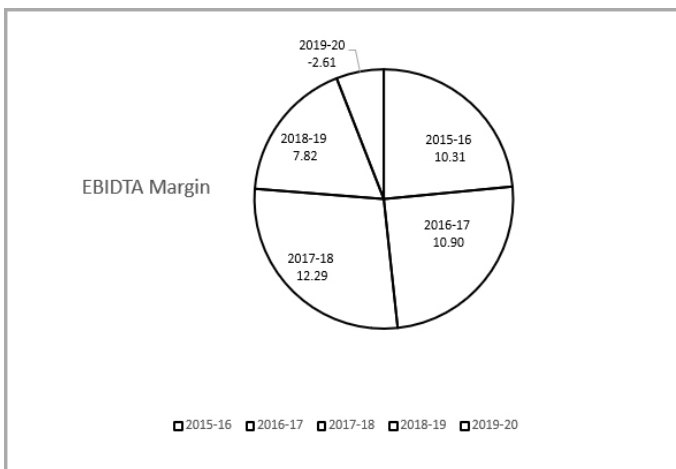
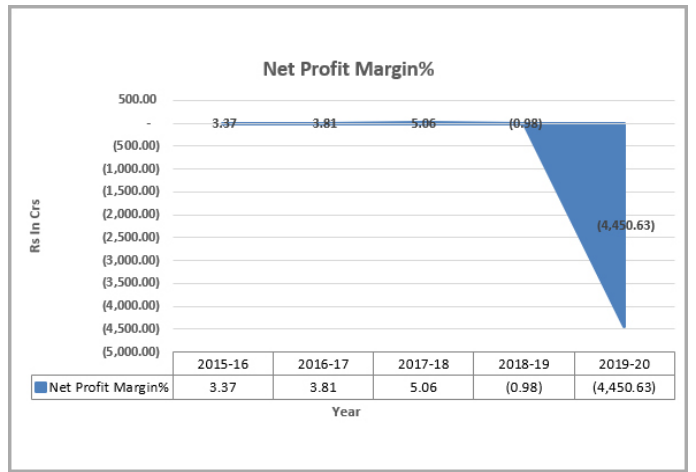
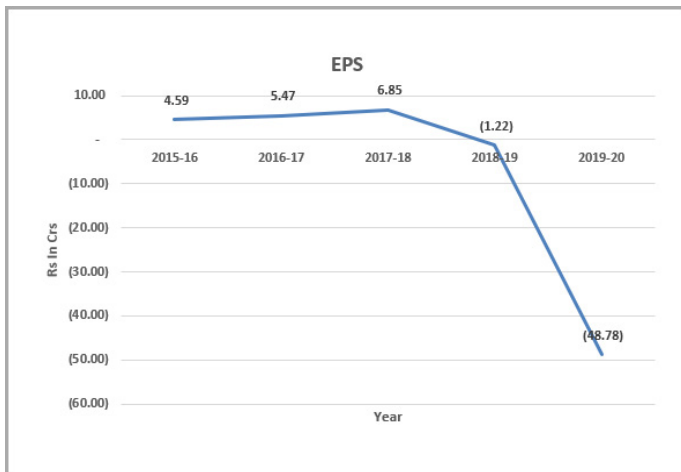
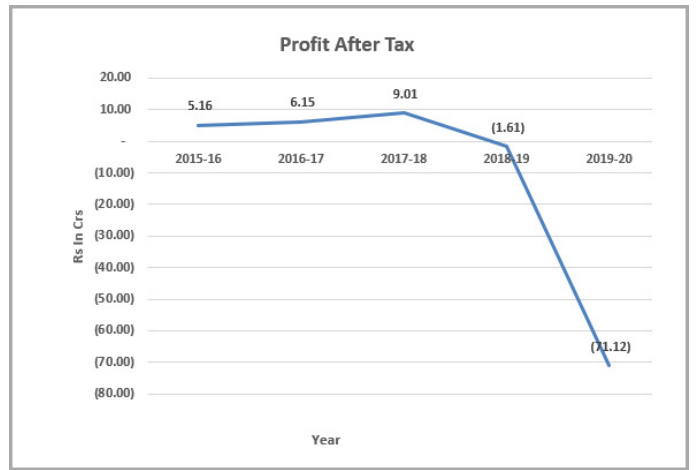
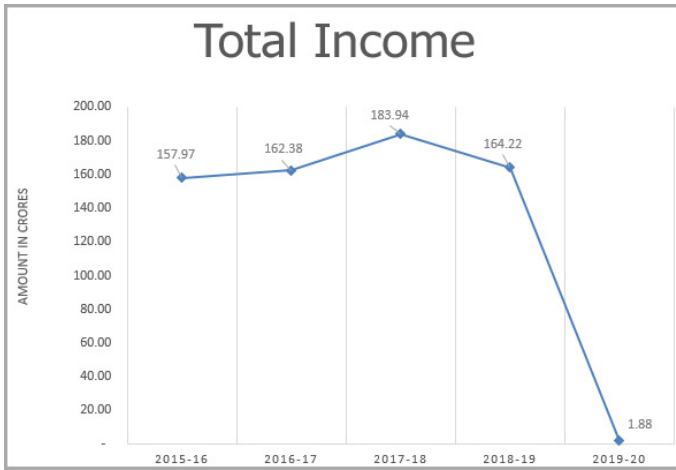
**Sankhya Infotech Limited**

Sd/-

**Date:** 09.12.2020  
**Place:** Hyderabad

**(Sridhar Krishna)**  
Chairman & Managing Director  
DIN: 00089548

## FINANCIAL HIGHLIGHTS





**BOARD'S REPORT**

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company along with the audited financial statements, for the financial year ended 31<sup>st</sup> March, 2020.

**FINANCIAL HIGHLIGHTS**

The Company's performance during the financial year ended 31<sup>st</sup> March, 2020 is summarized below:

**(Rs. In Lakhs)**

Particulars	Financial figures for the year ended	
	31-03-2020	31-03-2019
Revenue From Operations	159.97	16,404.73
Other Income	28.42	18.06
<b>Total Revenue</b>	<b>188.39</b>	<b>16,422.79</b>
Employee Benefit Expenses	3,255.49	9,420.28
Other Operating Expenses	319.83	1,194.64
Finance Cost	51.09	432.53
Depreciation and Amortization Expense	910.38	1,002.35
Other Expenses	2,742.05	4,524.59
<b>Total Expenses</b>	<b>7,278.84</b>	<b>16,574.42</b>
Profit Before Exceptional and Extraordinary Items and Tax	(7,090.45)	(151.63)
Extraordinary Items	-	-
Profit Before Tax	(7,090.45)	(151.63)
Current Tax	-	-
Deferred Tax	30.58	8.94
<b>Profit/(Loss) for the period</b>	<b>(7,121.03)</b>	<b>(160.57)</b>
Basic and Diluted Earnings per Share (Rs.)	(48.78)	(1.22)

**REVIEW OF OPERATIONS**

**For the Financial year ended 31<sup>st</sup> March, 2020 as follows:-Financial Performance**

- Total Revenue for the current year was Rs 159.97 Lakhs.
- Profit / (Loss) before Exceptional and Extraordinary Items and Tax was Rs. (7,090.45) Lakhs.
- Net Profit / (Loss) were Rs. (7,121.03) Lakhs.
- Basic and diluted Earnings per Share (EPS) were Rs. (48.78) for the year.

The Company's current year financial summary and highlights are mentioned in the Management Discussion and Analysis Report annexed to this report.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There are material changes and commitments affecting the financial position of the Company during the financial year.

As per the financial statements for FY 19-20, which indicates that the company incurred a net loss of Rs.(7111.69) lakhs during the year ended March 31<sup>st</sup>, 2020 and, as of that date the Company's current liabilities exceeded its total Assets by Rs. 3,694.62 lakhs.

The events and conditions as set below, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

1. Substantial increase in losses.
2. Continuous cancellation of orders and no new orders to execute.
3. No business operations in the subsidiary companies during the year and closure of subsidiary companies.
4. As there are no contracts to execute there are no employees continuing in the company at the end of financial year.
5. Negative working capital.
6. Overdue working capital loans from IDBI Bank Ltd.

IDBI Bank has initiated forensic audit, DRT and Insolvency and Bankruptcy Code, 2016(IBC) proceedings against the Company, However, as on the date of the report the IBC case has not been admitted against the Company.

**INFORMATION ABOUT FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES/ BRANCHES/ASSOCIATES/JOINT VENTURES**

There are no Subsidiaries/Branches/Associates/Joint Ventures

**DIVIDEND**

As the Company has reported losses for the last two financial year's your Directors have not recommended payment of Dividend for the Financial Year 2019-20.

**TRANSFER TO RESERVE**

During the year under review company has not transferred any amount to reserves.

**AUTHORISED SHARE CAPITAL**

The Authorized Share Capital of the Company stands at Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

**PAID UP SHARE CAPITAL**

The Paid Up share Capital of the Company stands at Rs. 14,59,70,570 /- (Rupees Fourteen Crores Fifty Nine Lakhs Seventy Thousand and Five Hundred and Seventy Only) divided into 1,45,97,057 (One Crore Forty Five Lakhs Ninety Seven Thousand Fifty Seven Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

During the year under review, Company has allotted 14,51,852 equity shares to Promoter / Promoter Group upon conversion of warrants on 05.07.2019, as a result of the allotment of equity shares, the paid-up share capital of the Company has increased from Rs. 13,14,52,050 (Rupees Thirteen Crores Fourteen Lakhs Fifty Two Thousand and Fifty Only) to Rs. 14,59,70,570 divided into 1,45,97,057 Equity Shares of Rs. 10/- each.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

The Company has complied with the applicable provisions of Companies Act, 2013 and rules framed there under in respect of section 186 of the Companies Act, 2013.

**DEPOSITS**

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**INTERNAL CONTROLS SYSTEMS AND ADEQUACY**

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

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

**DETAILS OF DIRECTORS/KEY MANAGERIAL PERSONNEL**

None of the directors of the company are disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Independent Directors have provided confirmations as contemplated under section 149(7) of the Act.

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Sridhar Krishna, (DIN:00089548) Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

During the Financial Year, Mr. Ramamohan Reddy Yarragudi (DIN: 08517059) has been appointed as the Additional Director (Non-Executive, Independent Director) of the Company w.e.f. 23.07.2019 and Ms. Putcha Sarada has been appointed as the Additional Director (Non-Executive, Independent Director) of the Company w.e.f. 09.08.2019 and the said Directors Mr. Ramamohan Reddy and Ms. Putcha Sarada has been appointed as Independent Directors after the approval of the shareholders at the ensuing Annual General Meeting held on 30.09.2019.

Ms. Ruksana Sultana was appointed as the Chief Financial Officer of the Company w.e.f. 19.04.2019.

After the closure of the financial year, Mr. Sridhar Krishna has been appointed as Chief Financial Officer w.e.f. 15.09.2020 and Mr. Pratik Jain has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 05.10.2020.

Ms. N. Nalini has resigned w.e.f. 11.07.2019, Mr. Anil Valluri has resigned w.e.f. 24.07.2019 and Mr. Bhaskar Pramanik has resigned w.e.f. 23.07.2019 due to personal reasons.

Ms. Munmun Baid, Company Secretary and Compliance Officer has resigned w.e.f. 08.11.2019 due to personal commitment, Ms. Ruksana Sultana, Chief Financial Officer has resigned w.e.f. 31.12.2019 due to personal commitment.

Except above, there was no change in the Composition of the Board and in the Key Managerial Personnel.

**GOVERNANCE GUIDELINES**

The Company has adopted Governance Guidelines or code of conduct on Board, Independent Director, Key Managerial Personnel or senior managerial personnel. The Governance Guidelines or code of conduct cover aspects related to role of the Board diversity, definition of independence and duties of independent Directors, Code of Conduct, Moral, ethics and principles to be followed.

**COMMITTEES OF THE BOARD**

Pursuant to requirement under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board of Directors has constituted various committees of Board such as Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committees and Corporate Social Responsibility Committee. The details of Composition and terms of reference of these committees are mentioned in the Corporate Governance Report.

**NOMINATION, REMUNERATION AND PERFORMANCE EVALUATION POLICY**

The requisite details as required by Section 134(3), Section 178(3) & (4) of the Companies Act, 2013 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report.

The board of directors has carried out an annual evaluation of its own performance, board committees, Independent Directors, Chairperson and Managing Director and Non-Executive and Non-independent Directors pursuant to the provisions of the schedule IV of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Board Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.



A meeting of the Independent Directors was also held which reviewed performance of non-independent directors, performance of the board as a whole and performance of the chairman after taking in to account the views of executive directors and non-executive directors.

The same was discussed in the board meeting at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Independent Directors are familiarised about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. The details of familiarisation programme held in FY 2019-2020 are also disclosed on the Company's website at [www.sankhya.net/investors](http://www.sankhya.net/investors).

## **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149 OF THE COMPANIES ACT, 2013**

All the Independent Directors of the Company have given declaration stating that they meet the criteria of independence as provided under Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report as required under Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report and give detail of the overview, industry structure and developments, operational performance of its various business segments and is attached as **Annexure – III**.

## **CORPORATE GOVERNANCE**

The Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with. A separate report on Corporate Governance is being presented as part of the Annual Report and is attached as **Annexure – I**.

A declaration of Code of Conduct from Mr. Sridhar Krishna, Chairman and Managing Director forms part of the Corporate Governance Report.

M/s. Ravi Rajan & Co., Chartered Accountants in practice has certified that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchange and is attached as **Annexure – V**.

## **TRANSACTIONS WITH RELATED PARTIES**

The requisite details as required by Section 134 & 188 of the Companies Act, 2013 and Regulation 23 & 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report. The policy for related party transactions is available on the website of the Company at [www.sankhya.net/policies](http://www.sankhya.net/policies).

There were no related party transactions entered into by the Company during the financial year. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Your Directors draw attention of the members to Notes 25(4) to the financial statement which sets out related party disclosures.

## **BOARD AND COMMITTEE MEETINGS**

During the financial year 2019-20, Eight Board Meetings were held. The details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Section 173(1) of the Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed and that there are no material departures;
- ii. that the directors have 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 as at 31<sup>st</sup> March, 2020 and Statement of Profit and Loss of the Company for that period;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, on a going concern basis;
- v. that the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the financial year under review.

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

The provisions of section 135 is not applicable to the Company. However, the Company has constituted the CSR Committee with Mr. Sridhar Krishna as the Chairman, Mr. Ramamohan Reddy Yarragudi as the Member and Ms. Putcha Sarada as the Member of the Committee.

## **DISCLOSURE PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the Financial year ended 31<sup>st</sup> March, 2020 the Company has neither received any complaints nor there are any pending complaints pertaining to sexual harassment.



**VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Board of Directors of the Company has adopted Whistle Blower Policy. This policy is formulated to provide an opportunity to employees and an avenue to raise concerns and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees. During the year, the Whistleblower policy was amended inline with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, enabling the employees to report any violations under the insider trading regulations and leak of Unpublished Price-Sensitive Information (UPSI) and the policy is available on the website of the Company at [www.sankhya.net/Policies.aspx](http://www.sankhya.net/Policies.aspx).

The requisite details as required by Section 177 of the Companies Act, 2013 and Regulation 22 & 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company's operations in future during the year under review.

**STATUTORY AUDITORS**

The members of the Company at their Annual General Meeting (AGM) held on 28<sup>th</sup> November, 2017 have appointed M/s. Ravi Rajan & Co., Chartered Accountants (ICAI Firm Registration Number 009073N), as statutory auditors of the Company to hold office until the conclusion of 25<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022 which was subject to ratification as per the provisions of Companies Act, 2013.

However, pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of statutory auditors at every Annual General Meeting has been dispensed with.

**INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Companies read with rules made there under, the Board has appointed M/s. RRCO Consulting Private Limited, New Delhi as Internal Auditors of the Company for the financial year 2019-2020.

**COST AUDIT**

Cost Audit is not applicable to your Company.

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

There have been no frauds reported by the auditors u/s 143(12).

**AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT****Auditors' Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors

of the Company had appointed Ms. Pooja Ojha to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2020. The Secretarial Audit Report in the Form MR-3 is attached as **Annexure-VII**.

The Secretarial Audit Report for the financial year ended 31.03.2020 contains the following qualifications:

- The Company do not have Chief Financial officer as required under section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.
- The Company do not have Company Secretary as required under section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014.

Management explanation to the above secretarial auditors' qualifications:

- The Company has appointed Ms. Ruksana Sultana as the Chief Financial Officer of the Company w.e.f. 19.04.2019. However, due to personal reasons, the Chief Financial officer has resigned on 03.12.2019 and the Company has appointed Mr. Sridhar Krishna as Chief Financial Officer W.E.F 15.09.2020.
- The Company Secretary Ms. Munmun Baid has resigned from the Company on 08.11.2019, due to personal reasons and the Company has appointed Mr. Pratik Jain on 5<sup>th</sup> Oct, 2020 as Company Secretary and Compliance Officer.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are as follows:

**A. Conservation of energy**

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilization and maximum possibility of saving of energy.

**B. Technology absorption**

Your Company has not undertaken any research and development activity for any manufacturing activity nor was any specific technology obtained from any external sources which needs to be absorbed and adopted.

**Research and Development (R & D):****1. Specific areas in which R & D carried out by the Company:**

The Company continues to focus and invest in R & D activities for developing and improving the quality and enhancing the benefits of its software products. The Company is a product oriented Company and the continuous development of new products and the existing products is an ongoing exercise.

**2. Benefits derived as a result of the R & D:**

Research and development of new products & processes will continue to be of importance to your Company. Products although have a longer gestation, are of higher benefit to the Company and its profitability in the long run.



**3. Future plan of Action:**

The Company continues to strive for development and innovation of new products and improving the existing ones in order to meet the changing requirements and to cater to customer needs.

**C. Foreign exchange earnings and outgo**

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

(Rs. in Lakhs)

Particulars	2019-2020	2018-2019
Foreign exchange earnings	130.79	16,396.24
Foreign exchange outgo	5,465.93	14,071.74

**PARTICULARS OF REMUNERATION**

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure – VI**.

In accordance with Section 136 of the Companies Act, 2013 the same can be checked by making a request through e-mail at [comp.officer@sankhya.net](mailto:comp.officer@sankhya.net) between 15.12.2020 to 19.12.2020.

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration Managerial Personnel) Rule, 2014, there are no employees who are in receipt of remuneration of Rs. 102 Lakhs per annum or Rs. 8.5 Lakhs or more per month if employed for a part of the year.

**BOARD POLICIES**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website ([www.sankhya.net/policies.aspx](http://www.sankhya.net/policies.aspx)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

**EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return prepared in Form MGT-9 as per the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as **Annexure II** to this Report and is disclosed on website of the Company at [www.sankhya.net/investors.aspx](http://www.sankhya.net/investors.aspx).

**CEO/CFO CERTIFICATION**

Mr. Sridhar Krishna, Chairman and Managing Director of the Company have given a certificate to the Board as contemplated in Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is attached as **Annexure-IV**.

**RISK MANAGEMENT POLICY**

All assets of the Company and other potential risks have been adequately insured.

The Company has policy for identifying risk and established controls to effectively manage the risk. Further the company has laid down various steps to mitigate the identified risk. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**EMPLOYEE RELATIONS**

The relationship with the workmen and staff remained cordial and harmonious during the year and the management received full co-operation from the employees.

**DECLARATION WITH THE COMPLIANCE WITH THE CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL**

The Company has complied with the requirements about code of conduct for Board members and Senior Management Personnel.

**APPRECIATION**

The Board of Directors places on record its gratitude to Financial Institutions, Banks, various State and Central Government Agencies and governments of various countries where we had our operations. The Board also acknowledges the support of the shareholders of the Company. The Board also places on record their deep sense of appreciation for the committed services of all the employees of the Company.

For and on behalf of the Board of Directors of  
**Sankhya Infotech Limited**

Date: 9<sup>th</sup> Dec, 2020  
Place: Hyderabad

**(Sridhar Krishna)**  
Chairman & Managing Director  
DIN: 00089548

**Report on Corporate Governance**

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31<sup>st</sup>March, 2020. The Report is updated as on the date of the report wherever applicable.

**(1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company has always adhered to good corporate governance practices and maintained the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations. The Company believes that high standards of Corporate Governance are the critical to ensure the business success. We feel proud that we have laid a strong foundation stone for good governance long back. The Company has always believed in conducting its affairs in a fair and transparent manner and in maintaining the highest ethical standards in its dealings with all its constituents. Sankhya mission is to constantly review its systems and procedures to achieve the highest level of Corporate Governance in the overall interest of all the stakeholders.

The Company's philosophy on Corporate Governance aims at facilitating effective management of the Company in the conduct of business and in meeting the objectives of enhancing value of the Company to its stakeholders and to provide good management.

The Company endeavors to achieve optimum performance at all levels of management by adhering to good corporate governance practices, namely, the following:

1. Fair and transparent business practices.
2. Effective management control by Board.
3. Adequate representation of promoter, executive and Independent Directors on the Board.
4. Monitoring of executive performance by the Board.
5. Compliance of Laws.
6. Transparent and timely disclosure of financial and management information.

**(2) BOARD OF DIRECTORS**

- (i) The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Chairman & Managing Director. As on 31<sup>st</sup>March, 2020, the Company has Four Directors with vast experience and knowledge.
- (ii) None of the Directors on the Board holds Directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as on 31<sup>st</sup>March, 2020 have been made by the Directors.
- (iii) None of the Independent Directors are serving as Independent Directors in more than seven listed companies.
- (iv) During the year, the meeting of Independent Directors of the Company was held on 12<sup>th</sup> February, 2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole and assessed the quality, quantity and timelines of flow of Information between management and the Board. All the Independent Directors of the Company were present at the meeting.
- (v) During the financial year 2019-20, the Board met Eight times and the gap between any two meetings has been less than one hundred and twenty days. The Directors who were present in the Board Meeting are marked as "√" and the directors who were granted leave of absence was marked as "X".

Sr. No.	Board Meeting	Sridhar Krishna	N. Nalini	ParthaSaradhi Pudhota	Anil Valluri	Bhaskar Pramanik	Ramamohan Reddy Yarragudi	Putcha Sarada
1	22.04.2019	√	√	√	√	√	NA	NA
2	30.05.2019	√	√	√	√	√	NA	NA
3	05.07.2019	√	√	√	√	√	NA	NA
4	26.07.2019	√	NA	√	NA	NA	√	NA
5	10.08.2019	√	NA	√	NA	NA	√	√
6	14.11.2019	√	NA	√	NA	NA	√	√
7	28.01.2020	√	NA	√	NA	NA	√	√
8	12.02.2020	√	NA	√	NA	NA	√	√





(vi) The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and committee chairmanships / memberships held by them in other listed public companies as on 31<sup>st</sup> March, 2020 are given herein below

Directors	Category*	Attendance particulars		Other Directorship in Listed Entities & Category	Committee	
		Board Meeting	Last AGM (30.09.2019)		Membership in other Listed Entities#	Chairmanship in other Listed Entities#
Sridhar Krishna	P, CMD	08	Yes	NIL	NIL	NIL
Anil Valluri@	ID, NED	03	No	NIL	NIL	NIL
Bhaskar Pramanik@	ID, NED	03	No	1. TCNS Clothing Company Limited (Non-Executive, Independent Director) 2. State Bank of India (Non-Executive, Independent Director)	2	NIL
N. Nalini@	P, NED	03	No	NIL	NIL	NIL
Partha Saradhi Pudhota	ED	08	No	NIL	NIL	NIL
Mr. Ramamohan Reddy Yarragudi@	ID, NED	05	Yes	NIL	NIL	NIL
#Ms. Putcha Sarada@	ID, NED	04	No	NIL	NIL	NIL

\***P, CMD:** Promoter, Chairman & Managing Director

\***P, NED:** Promoter, Non-Executive Director

\* **NED:** Non-Executive Director

\***ID, NED:** Independent Director, Non-Executive Director

@ Ms. N. Nalini had resigned w.e.f. 11.07.2019, Mr. Bhaskar Pramanik had resigned w.e.f. 23.07.2019 and Mr. Anil Valluri has resigned w.e.f. 24.07.2019.

@Mr. Ramamohan Reddy Yarragudi had been appointed on the Board w.e.f. 23.07.2019 and @Ms. Putcha Sarada had been appointed on the Board w.e.f. 09.08.2019.

As on the date of the report there are four Board of Directors of the Company i.e.

Mr. Sridhar Krishna, Chairman, Managing Director, Executive Director

Mr. Ramamohan Reddy Yarragudi, Non-Executive - Independent Director

Ms. Putcha Sarada, Non-Executive, Independent Director and

Mr. Partha Saradhi Pudhota, Non-Executive - Non Independent Director.

# Chairmanships/memberships of board committees include only in Audit and Stakeholders Relationship committees as required under regulation 26(1)(b) of SEBI (LODR) Regulations, 2015.

(vii) **Details of skills/expertise/competence of the Board of Directors:**

S. No.	Skills/Expertise/Competence identified for the Company's business	Existing Skills/Expertise/Competence
1.	Mr. Sridhar Krishna	Entrepreneurship, IT & Business Strategy
2.	Mr. P. ParthaSaradhi	Technology, Market Research
3.	Mr. Ramamohan Reddy Yarragudi*	Accounts & Administration
4.	Ms. PutchaSaradha *	Corporate & Legal
5.	Ms. N. Nalini #	Machine Learning, Computer Vision, and Artificial Intelligence
6.	Mr. Bhaskar Pramanik#	Governance & IT
7.	Mr. Anil Valluri #	Sales/Marketing and Technology

\* Mr. Ramamohan Reddy Yarragudi had been appointed w.e.f. 23.07.2019.

\* Ms. Putcha Sarada had been appointed w.e.f. 09.08.2019.

# Ms. N. Nalini had resigned w.e.f. 11.07.2019.

#Mr. Bhaskar Pramanik had resigned w.e.f. 23.07.2019 and

#Mr. Anil Valluri had resigned w.e.f. 24.07.2019.

(viii) **Disclosure of relationships between directors inter-se**

- Mr. Sridhar Krishna is a father of Ms. N. Nalini.
- Ms. N. Nalini is a daughter of Mr. Sridhar Krishna

(ix) **Number of shares and convertible instruments held by non-executive directors**

Ms. N. Nalini, Non-Executive Director was holding 62,671 shares

Mr. P. ParthaSaradhi, Non-Executive – Non Independent Director is holding 19,00,000 shares

Mr. Bhaskar Pramanik was holding 3,000 shares

No other Non-Executive Director is holding any shares and convertible instruments as on 31<sup>st</sup> March, 2020.

- (x) Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company. Details of familiarization programme of Independent Directors are available on the website of the Company at the link [www.sankhya.net/Policies.aspx](http://www.sankhya.net/Policies.aspx).
- (xi) The Board has carried out the Evaluation of each Independent Director and are of the view that the independent directors fulfill the conditions specified in these regulations and are independent of the management.
- (xii) There are no instances of the resignation of an independent director during the Financial Year. During the year the Independent Directors, Mr. Bhaskar Pramanik has resigned w.e.f. 23.07.2019 and Mr. Anil Valluri has resigned w.e.f. 24.07.2019 due to personal reasons and there were no material reasons for their resignation.

**(3) AUDIT COMMITTEE\*\*\*****a. Composition, Name of Members and Chairman**

The composition of the Audit Committee meets the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of Audit Committee is given below:

Name	Designation	Category	Number of meetings during the financial year 2019-20	
			Entitled to Attend	Attended
Ramamohan Reddy Yarragudi**	Chairman	Non-Executive – Independent	3	3
Putcha Sarada **	Member	Non-Executive – Independent	3	3
Sridhar Krishna	Member	Executive	4	4
<b>Anil Valluri*</b>	Member	Non-Executive – Independent	1	1
<b>Bhaskar Pramanik*</b>	Member	Non-Executive – Independent	1	1



\* Mr. Bhaskar Pramanik had resigned on 23.07.2019 and Mr. Anil Valluri had resigned on 24.07.2019.

\*\* The audit committee has been re-constituted on 09.08.2019 with Mr. Ramamohan Reddy Yarragudi as Chairman, Ms. Putcha Sarada as Member and Mr. Sridhar Krishna as Member of the Committee.

**Meetings**

The Audit Committee met four times during the year 30<sup>th</sup>May, 2019, 10<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020. The gap between two meetings did not exceed 120 days and the necessary quorum was present for all the meetings. The Company Secretary acted as the secretary to the Audit Committee.

**b. Brief description of terms of reference**

1. Oversight of the company’s financial reporting process and disclosure of financial information.
2. Review of quarterly, half yearly and annual financial statements.
3. Recommending the appointment and removal of external Auditors and fixing of their remuneration.
4. Review the adequacy of internal control systems and internal audit functions.
5. Review of Company’s financial and risk management policies.

The Audit Committee shall carry out role and review of information as stipulated in Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The scope of activity of the Committee is also in consonance with the provisions of Section 177 of the Companies Act, 2013.

**(4) NOMINATION AND REMUNERATION COMMITTEE\*\***

**a. Composition, Name of Members and Chairman**

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Designation	Category	Number of meetings during the financial year 2019-20	
			Entitled to Attend	Attended
Mr. PudhotaPartha Saradhi	Member	Non-Executive Non Independent	4	4
Mr. Ramamohan Reddy Yarragudi	Chairman	Non-Executive Independent	1	1
Ms. Putcha Sarada	Member	Non-Executive – Independent	1	1
Ms. N. Nalini	Member	Non-Executive Non Independent	2	1
Mr. Anil Valluri	Member	Non-Executive Independent	3	3
Mr. Bhaskar Pramanik	Member	Non-Executive Independent	3	3

\*Ms. N. Nalini has resigned w.e.f. 11.07.2019, Mr. Bhaskar Pramanik has resigned w.e.f. 23.07.2019 and Mr. Anil Valluri has resigned w.e.f. 24.07.2019.

\*\* During the year the Nomination and Remuneration Committee was re-constituted on 09.08.2019 with Mr. Ramamohan Reddy Yarragudi as Chairman, Ms. Putcha Sarada as Member and Mr. ParthaSaradhiPudhota as Member of the Committee.

**Meetings:**

The Nomination and Remuneration Committee met four times during the year on 22<sup>nd</sup>April, 2019, 30<sup>th</sup> May, 2019, 22<sup>nd</sup> July, 2019, and 10<sup>th</sup> August, 2019. Necessary quorum was present for all the meetings. The Company Secretary acted as the secretary to the Committee.

**b. Brief description of terms of reference**

The Nomination and Remuneration Committee has been empowered with the role and functions as per the provisions specified under Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Section 178 of the Companies Act, 2013 including the appointment and finalizing the remuneration of senior level employees of our Company. The purpose of the Committee is to monitor the Company’s nomination process of the senior level management and to identify and review the individuals capable of serving in the Board level or senior management team of the company.

## Nomination, Remuneration and Board Evaluation Policy

The Company has formulated a Nomination, Remuneration and Board Evaluation Policy as per the provisions of section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as senior management personnel of the Company and lays down the criteria for determining the remuneration and evaluation of the directors, key managerial personnel (KMP) and other employees.

### Preamble

The Company has formulated a Nomination, Remuneration and Board Evaluation Policy as per the provisions of section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as senior management personnel of the Company and lays down the criteria for determining the remuneration of the directors, key managerial personnel (KMP), Senior Management and other employees.

### Definition

- "Board" means Board of Directors of the company.
- "Company" means Sankhya Infotech Limited.
- "Companies Act, 2013" means the Companies Act, 2013 read with the Rules framed thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof) (the "Act").
- "Committee" means Nomination and Remuneration Committee of Board of Directors of the Company.
- "Directors" means Directors of the Company.
- "Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.
- "Key Managerial Personnel or KMP" means key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.
- "Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

### Role of Nomination and Remuneration Committee

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- b) Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- c) Devising a policy on diversity of board of directors.
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Director their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- g) While formulating the policy under sub-section (3) of 178 of the Companies Act, 2013 ensure that: -
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### Appointment criteria and qualification

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend to the Board his/her appointment.
- For the appointment of KMP (other than managing/whole-time director) or senior management, a person should possess adequate qualification, expertise and experience for the position he/she is considered for the appointment. Further, for administrative convenience, as regards the appointment of KMP (other than managing/whole time director) or senior management, the managing director is authorized to identify and appoint a suitable person for such position. However, if the need be, the managing director may consult the committee/board for further directions/guidance.
- The Company should ensure that the person so appointed as Director/Independent Director/KMP/Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.



### **Term**

- The term of the directors including managing/whole-time director/independent director shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; whereas, the term of the KMP (other than the managing/whole-time director) and senior management shall be governed by the prevailing HR policies of the Company.

### **Evaluation**

- The Committee shall carry out evaluation of performance of every Director.
- The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment/re-appointment/continuation of directors on the board shall be subject to the outcome of the yearly evaluation process.

### **Removal**

- Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable act, rules and regulations there under and/or for any disciplinary reasons and subject to such applicable acts, rules and regulations and the Company's prevailing HR policies, the committee may recommend, to the board, with reasons recorded in writing, removal of a director, KMP or senior management..

### **Retirement**

- The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **Remuneration of managing/whole-time director, KMP and senior management**

- The remuneration/compensation/commission, etc. as the case may be, to the managing/whole-time director will be determined by the committee and recommended to the board for approval. The remuneration/ compensation/commission, etc. as the case may be, shall be subject to the prior/post approval of the shareholders of the Company and central government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the managing director of the Company is authorized to decide the remuneration of KMP (other than managing/whole-time director) and senior management, and which shall be decided by the managing director based on the standard market practice and prevailing HR policies of the Company.

### **Remuneration to non-executive/independent director**

- The remuneration/commission/sitting fees, as the case may be, to the non-executive/independent director, shall be in accordance with the provisions of the Companies Act, 2013 and the Rules made there under for the time being in force or as may be decided by the committee/board/shareholders.
- An independent director shall not be entitled to any stock option of the company unless otherwise permitted in terms of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

### **Composition of the Committee**

- a) The board of directors shall constitute the nomination and remuneration committee as follows:
  - the committee shall comprise of at least three directors;
  - all directors of the committee shall be non-executive directors; and
  - at least fifty percent of the directors shall be independent directors.
- b) The Chairperson of the nomination and remuneration committee shall be an independent director: Provided that the chairperson of the Company, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.
- c) The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- d) The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries. If the Chairperson of the nomination and remuneration committee may not able to present at the annual general meeting. In this case, he may authorize any other Committee member to present at the annual general meeting.
- e) The nomination and remuneration committee shall meet at least once in a year.

### **Details of the evaluation process**

- In terms of the Nomination, Remuneration and Board Evaluation Policy and the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee laid down the criteria for evaluation/assessment of the Directors (including the independent directors) of the Company and the Board as a whole. The Committee also carried out the evaluation of the performance of each Director of the Company.
- The Board conducted formal annual evaluation of its own performance, its Committees and the individual directors (without the presence of the director being evaluated). Basis the said evaluation, the Nomination and Remuneration Committee has evaluated the Directors and Senior Management Personnel and made recommendations for the appointment/ re-appointment/increase in remuneration of the Directors and Senior Management.



**Criteria for evaluation of Board (Including Independent Directors) and its Committees**

- The evaluation of the Board (including independent directors) and its committee were based on knowledge to perform the role, attendance, time and level of participation, performance of duties, adequate discharge of responsibilities, level of oversight, understanding of the Company professional conduct, independence, structure and composition, frequency and duration of meetings, its process and procedures, effectiveness of Board/ Committees, its financial reporting process, including internal controls, review of compliance under various regulations etc.

**Amendments to the Policy**

- The Board of Directors, on its own and / or as per the recommendations of Nomination Remuneration Committee can amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**(5) Meeting of Independent Directors**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 12<sup>th</sup> February, 2020, required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. At the meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**(6) Internal committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

**There was no meeting held in the financial year, as no complaints were received from any employee.**

**(7) Details of Remuneration to Directors:**

The details of remuneration paid to the Board of Directors forms part of the Annexure II (Extract of Annual Return i.e. MGT-9)

- The criteria for making payment to Non-executive Directors are contained in Nomination & Remuneration policy of the Company, which is available on the website of the Company.
- The details of the salary paid/Payable to the executive/non-executive Directors of the Company are as follows:
  - Remuneration to Executive Directors of the Company:

**(Amount in Rs)**

Name of the Director	Salary Payable	Perquisites & other benefits	Performance bonus/ Commission	Earned leave & gratuity	Other - Leave encashment	Total
Sridhar Krishna	18,00,000	NIL	-	-	-	18,00,000

- Remuneration paid to non-executive Directors of the Company:

**(Amount in Rs)**

Name of the Director	Sitting fees Paid/ Payable	Professional fees	Total
Ramamohan Reddy Yarragudi	30,000	Nil	30,000
Ms. PutchaSarada	56,000	Nil	56,000
<b>Total</b>	<b>86,000</b>	<b>Nil</b>	<b>86,000</b>

- No stock options were granted to the Directors during the financial year 2019-20.

**(8) Stakeholders Relationship Committee:\*\***

The Committee is entrusted with the responsibility to resolve the grievances of stakeholders and strengthening of Investor relations and was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend. The Committee comprises:





Name	Designation	Category	Number of meetings during the financial year 2019-20	
			Entitled to Attend	Attended
Mr. Sridhar Krishna	Chairman	Non- Executive Director	1	1
Ms. PutchaSarada	Member	Independent, Non- Executive	1	1
Mr. Rammohan Reddy Yarragudi	Member	Non-Executive Independent	1	1
Mr. ParthaSaradhiPudhota	Member	Non-Executive, Non Independent	2	2
Mr. Bhaskar Pramik	Member	Independent, Non- Executive	1	1

\*\* The Stakeholders’ Relationship Committee was re-constituted on 09.08.2019 with Mr. Ramamohan Reddy Yarragudi as Chairman, Ms. Putcha Sarada as Member and Mr. ParthaSaradhiPudhota as Member of the Committee.

**Meetings:**

During the financial year the Stakeholder’s Relationship Committee met Fourtimes i.e. on 30<sup>th</sup>May, 2019&10<sup>th</sup> August, 2019., 14<sup>th</sup> Nov, 2019, 12<sup>th</sup> Feb, 2020. Necessary quorum was present for all the meetings. The Company Secretary acted as the secretary to the Committee.

**Name and designation of Compliance Officer:**

Ms. MunmunBaidwas Company Secretary and Compliance Officer of the Company.

However, due to personal reasons, she resigned from the Company w.e.f. 08/11/2019..

The Company has appointed Mr. Pratik Jain as Company Secretary and Compliance Officer w.e.f. 5.10.2020.

Email id for investor grievances is comp.officer@sankhya.net

**Details of investor complaints received and resolved from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	20	20	0

The Company ensures that the investor’s correspondence is attended expeditiously and Endeavour is made to send a satisfactory reply within three days of receipt, except in cases that are constrained by disputes or legal impediments. There are no pending share transfer complaints as on March 31, 2020.

**Scores**

The Securities Exchange Board of India has initiated a platform for redressing the investor grievances through SCORES, a web-based complaints redressal system. The system processes complaints in a centralized web-based mechanism. The company is in compliance with this system.

**(9) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The CSR committee of the Board was reconstituted on 09.08.2019 with the following members:

Name	Designation	Category
Mr. Sridhar Krishna	Chairman	Executive
Mr. Ramamohan Reddy Yarragudi	Member	Non-Executive, Independent
Ms. Putcha Sarada	Member	Non-Executive, Independent

**(10) GENERAL BODY MEETINGS****a. Location and time, about last three Annual General Meetings held**

The following are the details of the last three Annual General Meetings held:

Financial Year	Date	Time	Venue	Special Resolution(s) passed
2016-17	28.11.2017	4:00 P.M.	Plaza Hotel, Opposite Greenland's Beside CM Camp Office, Begumpet, Hyderabad – 500016, Telangana	<ul style="list-style-type: none"> <li>• Adoption of Articles of Association as per the provisions of the Companies Act, 2013.</li> <li>• Alteration of Memorandum of Association by deleting other objects.</li> <li>• To Issue Convertible Equity Warrants on Preferential basis to Promoter/Promoter Group.</li> <li>• To Issue Convertible Equity Warrants on Preferential Basis to Non-Promoter Individuals (Investors).</li> <li>• Issue of equity shares on preferential basis to other.</li> </ul>
2017-18	28.11.2018	12:00 Noon	Plaza Hotel, Opposite Greenland's Beside CM Camp Office, Begumpet, Hyderabad – 500016, Telangana	<ul style="list-style-type: none"> <li>• NIL</li> </ul>
2018-19	30.09.2019	11:00 Mor	Hotel Halcyon suites, Plot No. 169, Street Number 9, Ayyappa Society, Mega Hills, Madhapur, Hyderabad – 500081, Telangana	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Sridhar Krishna DIN: 00089548), as Chairman and Managing Director of the Company.</li> <li>2. To appoint Mr. Ramamohan Reddy Yarragudi (DIN: 08517059) as Independent Director of the Company.</li> <li>3. To appoint Ms. Putcha Sarada (DIN: 08534921) as Independent Director of the Company.</li> <li>4. Alteration of Articles of Association as per the provisions of the Companies Act, 2013.</li> </ol>

**b. Postal Ballot Resolution:**

No resolution was passed through postal ballot during the year. No resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting

**c. Extraordinary General Meeting**

No Extra-ordinary General Meetings were held during the year 2019-2020.

**(11) MANAGEMENT DISCUSSION AND ANALYSIS:**

The management discussion and analysis forms an integral part of the Annual report and annexed separately. **(Annexure III)**

**(12) MEANS OF COMMUNICATION**

As per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is maintaining a functional website – [www.sankhya.net](http://www.sankhya.net) containing the information about the Company viz. details of business, financial information, shareholding pattern, annual reports, Company's policies, results and contact information of the designated officials of the Company for handling investor grievances. The website is updated from time to time.

- Quarterly/half-yearly/annual financial results are generally published in any of the following newspapers: Financial Express and Nav Telangana. The results are also posted on the Company's website [www.sankhya.net](http://www.sankhya.net) and on the website of stock exchanges [www.bseindia.com](http://www.bseindia.com).
- The annual report of the Company is available on the Company's website in a user-friendly and downloadable form.
- The Company has designated an E-mail ID exclusively for investor servicing i.e. [comp.officer@sankhya.net](mailto:comp.officer@sankhya.net). Investors may raise any queries, complaints or provide suggestions through the said e-mail id.



**Official News Releases**

The Company's official news releases and media releases are made available to the shareholders by way of displaying on the web site of the Company at [www.sankhya.net](http://www.sankhya.net). All the information about the Company is promptly sent through email and also posted to the Stock Exchange where the shares of the Company are listed and are released to press, where ever required, for information of public at large.

**(13) GENERAL SHAREHOLDER INFORMATION**

**a. 23<sup>rd</sup> Annual General Meeting**

Day & Date : Thursday, 31<sup>st</sup> December, 2020  
 Time : 11.00 a.m  
 Venue : Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

**The financial year of the Company** is from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 of the following year.

**b. Dividend Payment Date:** Not Applicable

**c. Listing on Stock Exchanges:** The BSE Limited (BSE)

<b>Name and Address of Stock Exchange at which the listed entity's securities are listed</b>	BSE Limited (BSE), Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai-400001
--	--

**Listing Fees:** The annual listing fees to BSE for the financial year 2020-2021 is payable.

**d. Stock Code**

Security ID / Symbol : SANKHYAIN  
 ISIN : INE877A01013  
 Scrip Code : 532972  
 CIN : L72200TG1997PLC045396

**e. Financial Calendar:** For the FY 2020-2021 (Tentative Schedule)

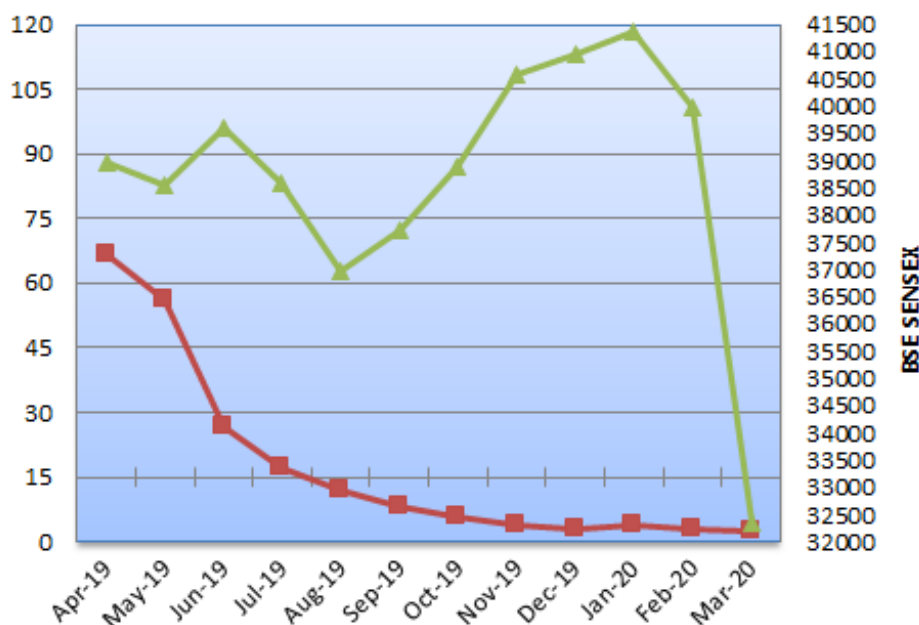
<b>Financial Results</b>	<b>Cut-off Date</b>
Unaudited first quarter financial results	On or before August 14, 2020
Unaudited second quarter financial results	On or before November 14, 2020
Unaudited third quarter financial results	On or before February 14, 2021
Approval of audited annual results for year ending 31 <sup>st</sup> March, 2021	On or before May 30, 2021

**f. Date of Book Closure :** 22<sup>nd</sup> December, 2020 to 31<sup>th</sup> December, 2020 (both days inclusive)

**g. Market Price Data**

The monthly high and low quotations and volume of shares traded on BSE.

<b>Month</b>	<b>High</b>	<b>Low</b>	<b>No. of shares Traded</b>
April, 2019	73.20	66.00	95,898
May, 2019	69.65	56.20	1,47,837
June, 2019	55.00	26.80	1,20,760
July, 2019	26.30	17.25	7,83,282
August, 2019	16.95	11.95	22,548
September, 2019	11.72	8.22	53,318
October, 2019	8.06	5.56	24,430
November, 2019	5.45	3.79	40,403
December, 2019	3.72	2.76	1,69,736
January, 2020	4.25	3.01	3,99,989
February, 2020	3.83	2.95	2,21,630
March, 2020	2.95	2.33	75,919

**Performance in comparison to BSE SENSEX****Performance-Comparison with BSE Sensex****h. Equity Shares in the Suspense Account**

In terms of Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company reports that none of the shares are in the demat suspense account or unclaimed suspense account.

**i. Registrars to an issue and Share Transfer Agents**

KFin Technologies Private Limited,  
Selenium Tower-B, Plot No. 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad-500032, Telangana.  
Tel: 18003454001  
Email: einward.ris@karvyfintech.com  
URL: www.karvyfintech.com

**j. Share Transfer System:**

The Board of Directors of the Company has delegated the powers of share transfers, splitting, consolidation of share certificates and issue of duplicate shares, dematerialisation and rematerialisation of shares etc. to Stakeholders' Relationship Committee. The Committee attends the share transfer formalities atleast once in a fortnight. The Registrar and Share Transfer Agents register the shares received for transfer in physical mode, within 15 days from the date of lodgment, if documents are complete in all respects.

**k. Shareholding Pattern of the Company & Distribution of shareholding as on 31<sup>st</sup> March 2020:**

Category code	Category of shareholder	No. of shareholders	Total No. of shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Promoter And Promoter Group</b>			
(1)	Indian	8	33,30,371	22.82
(2)	Foreign	-	-	-
	<b>Total shareholding of promoter and promoter group</b>	<b>8</b>	<b>33,30,371</b>	<b>22.82</b>



<b>(B)</b>	<b>Public Shareholding</b>			
(1)	Institutions	4	5,56,968	3.82
(2)	Foreign Portfolio Investors	1	2,91,496	2.00
(3)	Non-Institutions	9,270	1,04,18,222	71.37
(3)	Central Government/ State Government(s)/ President of India	-	-	-
	<b>Total public shareholding</b>	<b>9275</b>	<b>1,12,66,686</b>	<b>77.18</b>
<b>(C)</b>	Shares held by custodians, against which Depository Receipts have been issued	-	-	-
(1)	Promoter and Promoter Group	-	-	-
(2)	<b>Public</b>	-	-	-
<b>GRAND TOTAL (A+B+C) :</b>		<b>9,283</b>	<b>1,45,97,057</b>	<b>100.00</b>

**Distribution of shareholding as on 31<sup>st</sup> March, 2020:**

Sr. No.	Slab of Share holding	No. of Shareholders	% to Total Holding	Amount in (Rs.)	% to Total
1	1-5000	7707	81.15	1,08,63,300	7.44
2	5001- 10000	691	7.28	56,62,130	3.88
3	10001- 20000	447	4.71	68,87,450	4.72
4	20001- 30000	200	2.11	51,48,930	3.53
5	30001- 40000	85	0.90	30,33,960	2.08
6	40001- 50000	79	0.83	36,72,810	2.52
7	50001- 100000	158	1.66	1,15,86,780	7.94
8	100001& Above	130	1.37	9,91,15,210	67.90
	<b>Total:</b>	<b>9497</b>	<b>100.00</b>	<b>14,59,70,570</b>	<b>100.00</b>

**I. Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March 2020, 1,41,49,261 Equity Shares of Rs. 10/- each aggregating to 96.93% are being held with NSDL & CSDL in demat form of the paid up capital & the rest 4,47,796 aggregating to 3.07% are in physical form. The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE877A01013.

The particulars of Shares held in demat form and physical form follows are as follows:

S. No.	Category	Total No. of Shares	% of Equity
1	PHYSICAL	4,47,796	3.07
2	NSDL	10292215	70.51
3	CDSL	3857046	26.42
	<b>Total</b>	<b>1,45,97,057</b>	<b>100.00</b>

**m. Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

As on 31<sup>st</sup> March, 2020, the Company did not have any outstanding GDRs /ADRs or any Convertible instruments.

During the year, the Promoter/Promoter Group have exercised their right for conversion within the prescribed time period of 18 months and hence the Board of Directors in their meeting held on 05.07.2019 have allotted 14,51,852 equity shares on preferential basis to the respective Allottees. As a result the number of equity shares of the Company have increased from 1,31,45,205 to 1,45,97,057 and the Company has issued shares with respect to the outstanding warrants and the details are as follows:

**Conversion of Warrants:****Promoter/Promoter group**

S. No.	Allottees	No. of warrants	No. of shares allotted
1	Mr. N. Ramakrishna Rao	2,67,000	2,67,000
2	Mrs. N Parvatavardhani	1,92,478	1,92,478
3	Mrs. N Indira Ramani	7,90,821	7,90,821
4	Mrs. N Gayatri	2,01,553	2,01,553
<b>Total</b>		<b>14,51,852</b>	<b>14,51,852</b>

**Forfeiture of up-front money received against allotment of 4,00,000 Warrants:**

During the year, the Board of Directors at its meeting held on 5<sup>th</sup> July, 2019 noted that a sum of Rs. 49,07,000/- (Rupees Forty Nine Lakhs and Seven Thousand only) was received by the Company before the allotment of the 4,00,000 Warrants as up-front subscription money from the Non-promoter individuals. Thereafter, the balance amount against the allotment of the 4,00,000 Warrants have not been received by the Company within 18 months from the date of allotment of warrants to the allottee (Non-promoter Individuals/Investors) and accordingly, pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations the said up-front subscription money received from the respective allottees has been forfeited. The details of the warrants are as below:

**Non-Promoter Individuals (Investors)**

Sr. No.	Allottees	No. of warrants allotted
1.	Mr. P. Aditya	1,00,000
2.	Mr. G. Ravindran	1,00,000
3.	Mr. SR Christopher	1,00,000
4.	Mrs. V Neelima	1,00,000
<b>Total</b>		<b>4,00,000</b>

**n. Commodity price risk or foreign exchange risk and hedging activities: NIL****o. Address for correspondence**

Sankhya Infotech Limited  
L72200TG1997PLC045396  
H.No 1-112/63, 2<sup>nd</sup> Floor,  
W.S.Colony, Near Kims Hospital,  
Kondapur, Hyderabad  
Telangana-500049  
Email Id: comp.officer@sankhya.net

**p. List of Credit Ratings – Not Applicable****(14) OTHER DISCLOSURE****a. Disclosures on materially significant related party that may have potential conflict with the interests of the company at large**

There were no Related Party Transactions entered during the financial year as per provisions of the Companies Act, 2013 ('the Act') and Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted a Related Party Transactions Policy. The policy is available on website of the company at [www.sankhya.net/Policies.aspx](http://www.sankhya.net/Policies.aspx).

Details of the transactions if any with Related Parties are provided in the accompanying financial statements.

**b. Details of non-compliance by the Company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

No non-compliance by the Company was observed during the last three years nor any penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets.





**c. Whistle Blower policy, Vigil Mechanism and affirmation that no personnel has been denied access to the Audit Committee**

The Company has adopted the Whistle blower Policy and established a mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct. It also provides adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that no employee has been denied access to the audit committee during the year. The policy is available on website of the company at [www.sankhya.net/Policies.aspx](http://www.sankhya.net/Policies.aspx).

**d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this Regulation.**

The Company has complied with all the mandatory requirements of corporate governance and are being reviewed from time to time.

**e. Website Disclosure**

The company is maintaining a functional website [www.sankhya.net](http://www.sankhya.net). All the information as specified under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded under Investor column of the website. For more information, kindly visit [www.sankhya.net](http://www.sankhya.net).

**f. Material Subsidiaries- NIL**

**g. Details of utilization of funds raised through preferential allotment**

The funds raised through preferential allotment have been used for operations and to meet the working capital needs of the Company and general corporate purpose and there was no deviation/variation in the utilization of the funds.

**h. Auditors' Fees**

The total fees paid to the Statutory Auditors by the Company and all entities in the network firm/network entity of which the statutory auditor is a part on a consolidated basis is Rs. 7.77 Lakhs.

**(15) Compliance:**

The Company has complied with all requirements of Corporate Governance Report mentioned in the sub Para (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

**(16) Additional Disclosures**

**a) Reconciliation of share capital audit**

As stipulated by SEBI, a qualified Company Secretary-in-Practice & Qualified Chartered Accountant carries out a reconciliation of share capital audit, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories') and the total issued and listed capital with the stock exchanges. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with depositories). The audit report is being submitted on quarterly basis to the stock exchanges.

**b) Risk Management Policy**

The Company has adopted the Risk Management Policy to identify risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. The said policy is available on the website of the Company at [www.sankhya.net/Policies.aspx](http://www.sankhya.net/Policies.aspx).

**c) Policy on Board Diversity**

The Company has adopted Policy on Board Diversity to increase diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The said policy is available on the website of the Company at [www.sankhya.net/Policies.aspx](http://www.sankhya.net/Policies.aspx).

**d) Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and immediate relatives of Designated Persons.**

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company Secretary acts as the Compliance Officer. This Code of Conduct is applicable to the Designated Person(s), Employees and the Immediate Relative(s) of such Designated Persons and Employees of the Company who can have access to Unpublished Price Sensitive Information relating to the Company. It is also informed to the shareholders that the Code of Conduct has been updated/amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and other amendments, if any.

**e) CEO/CFO certification**

Mr. Sridhar Krishna, Chairman & Managing Director & CFO of the Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of Annual Report.

**DECLARATION UNDER CODE OF CONDUCT**

As required under Part D of Schedule V of SEBI (LODR) Regulations, 2015, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year ended on 31<sup>st</sup> March, 2020.

**Date:** 09.12.2020  
**Place:** Hyderabad

**(Sridhar Krishna)**  
Chairman & Managing Director  
DIN: 00089548

**CERTIFICATE FOR DISQUALIFICATION OF DIRECTORS**

To  
The Members  
Sankhya Infotech Limited

Sub: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I Pooja Ojha, Practicing Company Secretary, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sankhya Infotech Limited having CIN: L72200TG1997PLC045396 and having registered office at H.No 1-112/63 2<sup>nd</sup> Floor, W.S.Colony Near Kims Hospital, Kondapur Hyderabad Hyderabad TG 500084(hereinafter referred to as 'the Company'), as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on 31<sup>st</sup> March, 2020.

In my opinion and to the best of my information and according to the verifications carried out by me 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 31<sup>st</sup> March, 2020 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.

List of Directors of the Company as on 31<sup>st</sup> March, 2020:

<b>S. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Designation</b>
1.	Sridhar Krishna	00089548	Chairman & Managing Director
2.	RamamohanreddyYarragudi	08517059	Independent Director
3.	Putcha Sarada	08534921	Independent Director
4.	Pratha S. Pudhota	07516057	Non-Executive Director Non-Independent Director

**Date:** 08.12.2020  
**Place:** Nagpur

**Ms. Pooja Ojha**  
Company Secretary in Practice  
ACS: 41693  
CP No.: 22300



**MGT-9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2020

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L72200TG1997PLC045396
Registration Date	21/07/1997
Name of the Company	Sankhya Infotech Limited
Category / Sub-Category of the Company	Company Limited by Shares and Non-Government
Address of the Registered office and contact details	H.No 1-112/63 2 <sup>nd</sup> Floor, W.S.Colony Near Kims Hospital, Kondapur Hyderabad TG 500049.
Whether listed company : Yes/No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFintech Private Limited, Selenium, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032, Telangana.  Tel : 18003454001 Email : <a href="mailto:einward.ris@karvyfintech.com">einward.ris@karvyfintech.com</a> URL : <a href="http://www.karvyfintech.com">www.karvyfintech.com</a>

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

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

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Information Service Activities	63	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL****SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>1. Indian</b>									
(a) Individual/HUF	26,22,719	0	26,22,719	19.95	30,64,518	2,01,553	32,66,071	22.38	2.43
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	64,300	0	64,300	0.49	64,300	0	64,300	0.44	(0.05)
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (1)</b>	<b>26,87,019</b>	<b>0</b>	<b>26,87,019</b>	<b>20.44</b>	<b>31,28,818</b>	<b>2,01,553</b>	<b>33,30,371</b>	<b>22.82</b>	<b>2.38</b>
<b>2. Foreign</b>									
(a) NRIs - Individuals	0	0	0	0.00	0		0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>26,87,019</b>	<b>0</b>	<b>26,87,019</b>	<b>20.44</b>	<b>31,28,818</b>	<b>201553</b>	<b>33,30,371</b>	<b>22.82</b>	<b>2.38</b>
<b>(B) Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/FI	5,56,768	0	5,56,768	4.24	5,56,968	0	5,56,968	3.82	(0.42)
(c) Central Govt/State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Portfolio Investors	3,48,254	0	3,48,254	2.65	2,91,496	0	2,91,496	2.00	(0.65)
(e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>9,05,022</b>	<b>0</b>	<b>9,05,022</b>	<b>6.89</b>	<b>8,48,464</b>	<b>0</b>	<b>8,48,464</b>	<b>5.82</b>	<b>(1.07)</b>
<b>2. Non- Institutions</b>									
(a) Bodies Corp	4,43,607	11,100	4,54,707	3.46	3,54,269	11,100	3,65,369	2.50	(0.96)
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	39,46,663	1,85,243	41,31,906	31.43	4234781	183143	4417924	30.27	(1.16)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	46,64,813	52,000	47,16,813	35.88	5364803	52000	5416803	37.11	1.23
Others (Specify)									
(c) NRI (Repatriation)	1,18,099	0	1,18,099	0.90	109301		109301	0.75	(0.15)
(d) NRI (Non-Repatriation)	1,01,680	0	1,01,680	0.77	107203		107203	0.73	(0.04)
(e) Clearing members	19,259	0	19,259	0.15	1622		1622	0.01	(0.14)
(f) NBFC	10,700	0	10,700	0.08	0		0	0	(0.08)
<b>Sub-Total (B)(2)</b>	<b>93,04,821</b>	<b>2,48,343</b>	<b>95,53,164</b>	<b>72.67</b>	<b>10171979</b>	<b>246243</b>	<b>10418222</b>	<b>71.37</b>	<b>(1.30)</b>
Total Shareholding of Public = (B) (1) + (B) (2)	1,02,09,843	2,48,343	1,04,58,186	79.56	11020443	246243	11266686	77.19	(2.37)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total (A+B)	1,28,96,862	2,48,343	1,31,45,205	100	14149261	447796	14597057	100	0
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	1,28,96,862	2,48,343	1,31,45,205	100	14149261	447796	14597057	100	0

**(ii) Shareholding of Promoters:**

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	N. Srinivas	4,37,873	3.33	1.90	3,08,373	2.11	1.71	(1.22)
2.	N. Gayatri	6,26,109	4.76	4.75	2,02,662	1.39	0.00	(3.37)
3.	Sankhya Management Services Limited	64,300	0.49	0.00	64,300	0.44	0.00	(0.05)
4.	N. Nalini	62,671	0.48	0.00	62,671	0.43	0.00	(0.05)
5.	N. Indira Ramani	5,13,770	3.91	0.00	13,04,591	8.94	0.00	5.03
6.	N. Parvatavardhani	5,71,444	4.35	0.00	7,63,922	5.23	0.00	0.88
7.	Sridhar Krishna	4,10,852	3.13	0.00	3,56,852	2.44	0.69	(0.69)
8.	N Ramakrishna Rao	-	-	-	2,67,000	1.83	0.00	1.83
<b>Total</b>		<b>26,87,019</b>	<b>20.44</b>	<b>6.65</b>	<b>33,30,371</b>	<b>22.82</b>	<b>2.40</b>	<b>2.38</b>

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

S. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>N. Srinivas</b>	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	<b>At the Beginning of the Year</b>	4,37,873	3.33	4,37,873	3.33
	Increase /Decrease during the period (Sale)	-129500	0.89	308373	2.11
	<b>At the End of the Year</b>	<b>308373</b>	<b>2.11</b>	<b>308373</b>	<b>2.11</b>

S. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2.	<b>N. Indira Ramani</b>	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	<b>At the Beginning of the Year</b>	5,13,770	3.91	5,13,770	3.91
	Increase /Decrease during the period	7,90,821	5.42	13,04,591	8.94
	<b>At the End of the Year</b>	<b>13,04,591</b>	<b>8.94</b>	<b>13,04,591</b>	<b>8.94</b>

S. No	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
3.	<b>N. Sridhar</b>				
	<b>At the Beginning of the Year</b>	4,10,852	3.13	4,10,852	3.13
	Increase /Decrease during the period	-54000	-0.37	356852	2.44
	<b>At the End of the Year</b>	<b>356852</b>	<b>2.44</b>	<b>356852</b>	<b>2.44</b>

S. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4.	<b>N. Gayatri</b>				
	<b>At the Beginning of the Year</b>	6,26,109	4.76	6,26,109	4.76
	Increase /Decrease during the period	-423447	-2.90	202662	1.39
	<b>At the End of the Year</b>	<b>202662</b>	<b>1.39</b>	<b>202662</b>	<b>1.39</b>

S. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
5.	<b>N. Parvatavardhani</b>				
	<b>At the Beginning of the Year</b>	5,71,444	4.35	5,71,444	4.35
	Increase /Decrease during the period	1,92,478	1.32	763922	5.23
	<b>At the End of the Year</b>	<b>763922</b>	<b>5.23</b>	<b>763922</b>	<b>5.23</b>

S. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
6.	<b>N. Nalini</b>				
	<b>At the Beginning of the Year</b>	62,671	0.48	62,671	0.48
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>62,671</b>	<b>0.43</b>	<b>62,671</b>	<b>0.43</b>

S. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
7.	<b>Sankhya Management Services Ltd</b>				
	<b>At the Beginning of the Year</b>	64,300	0.49	64,300	0.49
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>64,300</b>	<b>0.44</b>	<b>64,300</b>	<b>0.44</b>





S. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8.	<b>Ramkrishna Rao Nadupalli</b>				
	<b>At the Beginning of the Year</b>	0	0	0	0
	Increase /Decrease during the period	2,67,000	1.83	2,67,000	1.83
	<b>At the End of the Year</b>	<b>2,67,000</b>	<b>1.83</b>	<b>2,67,000</b>	<b>1.83</b>

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>Krsna Suraj Kalra</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the Year	590000	4.04	590000	4.04
	<b>At the End of the Year</b>	<b>590000</b>	<b>4.04</b>	<b>590000</b>	<b>4.04</b>
2.	<b>IDBI Bank Ltd</b>				
	At the Beginning of the Year	553268	4.21	553268	4.21
	Increase /Decrease during the Year	0	0	0	0
	<b>At the End of the Year</b>	<b>553268</b>	<b>3.79</b>	<b>553268</b>	<b>3.79</b>
3.	<b>Manish Lakhi</b>				
	At the Beginning of the Year	517377	3.94	517377	3.94
	Increase /Decrease during the Year	0	0	0	0
	<b>At the End of the Year</b>	<b>517377</b>	<b>3.54</b>	<b>517377</b>	<b>3.54</b>
4.	<b>Passage to India Master Fund Limited</b>				
	At the Beginning of the Year	3,48,254	2.65	3,48,254	2.65
	Increase /Decrease during the Year	-56758	-0.39	291496	2.00
	<b>At the End of the Year</b>	<b>291496</b>	<b>2.00</b>	<b>291496</b>	<b>2.00</b>
5.	<b>Nikhil Vora</b>				
	At the Beginning of the Year	1,23,287	0.94	1,23,287	0.94
	Increase /Decrease during the Year	0	0	0	0
	<b>At the End of the Year</b>	<b>1,23,287</b>	<b>0.84</b>	<b>1,23,287</b>	<b>0.84</b>
6.	<b>Abhishek Saxena</b>				
	At the Beginning of the Year	99,000	0.75	99,000	0.75
	Increase /Decrease during the Year	0	0	0	0
	<b>At the End of the Year</b>	<b>99,000</b>	<b>0.68</b>	<b>99,000</b>	<b>0.68</b>
7.	<b>Utkarsh Palnitkar</b>				
	At the Beginning of the Year	98,443	0.75	98,443	0.75
	Increase /Decrease during the Year	0	0	0	0
	<b>At the End of the Year</b>	<b>98,443</b>	<b>0.67</b>	<b>98,443</b>	<b>0.67</b>
8.	<b>Anil Ignatius Fernandes</b>				
	At the Beginning of the Year	95622	0.66	95622	0.66
	Increase /Decrease during the Year	0	0	0	0
	<b>At the End of the Year</b>	<b>95622</b>	<b>0.66</b>	<b>95622</b>	<b>0.66</b>

9.	<b>Mentor Capital Limited</b>				
	At the Beginning of the Year	85,250	0.65	85,250	0.65
	Increase /Decrease during the Year	0	0	0	0
	<b>At the End of the Year</b>	<b>85,250</b>	<b>0.58</b>	<b>85,250</b>	<b>0.58</b>
10.	<b>Abhish Kumar</b>				
	At the Beginning of the Year	80000	0.61	80000	0.61
	Increase /Decrease during the Year	0	0	0	0
	<b>At the End of the Year</b>	<b>80000</b>	<b>0.56</b>	<b>80000</b>	<b>0.56</b>

\* The shares of the Company are traded on BSE hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent accountnumber (PAN) of the shareholder.

**(v) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>Sridhar Krishna</b>				
	At the Beginning of the Year	4,10,852	3.13	4,10,852	3.13
	Increase /Decrease during the period	-54,000	-0.37	3,56,852	2.44
	<b>At the End of the Year</b>	<b>3,56,852</b>	<b>2.44</b>	<b>3,56,852</b>	<b>2.44</b>
2.	<b>N. Nalini</b>				
	At the Beginning of the Year	62,671	0.48	62,671	0.48
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>62,671</b>	<b>0.43</b>	<b>62,671</b>	<b>0.43</b>
3.	<b>Bhaskar Pramanik</b>				
	At the Beginning of the Year	3000	0.02	3000	0.02
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>3000</b>	<b>0.02</b>	<b>3000</b>	<b>0.02</b>
4.	<b>Anil Valluri</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
5.	<b>Pudhota Partha Saradhi</b>				
	At the Beginning of the Year	19,00,000	14.45	19,00,000	14.45
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>19,00,000</b>	<b>13.02</b>	<b>19,00,000</b>	<b>13.02</b>
6.	<b>Ramamohan Reddy Yarragudi</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
7.	<b>Ms. Putcha Sarada</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
8.	<b>Rukasna Sultana</b>				
	At the Beginning of the Year	5	0.00	5	0.00
	Increase /Decrease during the period	0	0.00	0	0.00
	<b>At the End of the Year</b>	<b>5</b>	<b>0.00</b>	<b>5</b>	<b>0.00</b>
9.	<b>Munmun Baid</b>				
	At the Beginning of the Year	0	0	0	0
	Increase /Decrease during the period	0	0	0	0
	<b>At the End of the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**VI. INDEBTEDNESS:**

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2387.62	683.51	0	3071.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2387.62</b>	<b>683.51</b>	<b>0</b>	<b>3071.13</b>
Addition	-	-	-	-
Reduction	-	(92.57)	-	(92.57)
<b>Net Change</b>	-	(92.57)	-	(92.57)
i) Principal Amount	2387.62	590.94	-	2978.56
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2387.62</b>	<b>590.94</b>	-	<b>2978.56</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Managing Director/ Whole Time Director	Total Amount Payable
		Sridhar Krishna	
1.	Gross salary	18,00,000	18,00,000
(a)	Salary payable* as per provisions contained in section 17(1) of the Income-tax Act, 1961		
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify Leave Encashment		
<b>Total (A)</b>		<b>18,00,000</b>	<b>18,00,000</b>
<b>Ceiling as per the Act</b>		<b>The remuneration is well within the limits prescribed under the Companies Act 2013.</b>	

**B. Remuneration to other Directors:**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount- Paid/Payable
		Ms. Putcha Sarada	Mr. Ramamohan Reddy Yarragudi	Mr. Pudhota ParthaSaradhi	
1.	Independent Directors /Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	56,000	30,000	-	86,000-
<b>Total (B)</b>		56,000	30,000	-	-
<b>Total Managerial Remuneration (A+B)</b>					<b>18,86,000</b>
<b>Overall Ceiling as per the Act</b>		<b>The remuneration is well within the limits prescribed under the Companies Act 2013.</b>			

**C. Remuneration to Key Managerial Personnel other than Managing Director, whole Time Director and or Manager:***(Amount in Rs.)*

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
1.	Gross salary	Not Applicable	387348	735652	1123000
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-	-
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2.	Stock Option/Sweat Equity/ Commission	-	-	-	
3.	Others, please specify Leave Encashment	-	-	-	
	<b>Total (C)</b>		<b>387348</b>	<b>735652</b>	<b>1123000</b>

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
<b>COMPANY/DIRECTORS/ OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment			None		
Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment			None		
Compounding			None		

For and on behalf of the Board of Directors of  
**Sankhya Infotech Limited****Date: 09.12.2020**  
**Place: Hyderabad**Sd/-  
**(Sridhar Krishna)**  
Chairman & Managing Director  
DIN: 00089548Sd/-  
**(Putcha Sarada)**  
Independent Director  
DIN: 08534921



The following Management's Discussion and Analysis ("MD&A") is intended to help the Sankhya's shareholders to understand the results of operations and financial condition of your company. MD&A is provided as a supplement to and should be read in conjunction with the financial statements and the accompanying Notes to Financial Statements.

**Overview:**

In the past year, status of the company remained the same in its legal situation and worsened in terms of the prospect due to COVID19. NCLT has not taken up to decide on admitting the case. However, due to COVID19 the industry that the company used service was hit very badly.

We urge the shareholders to read the management discussion of the previous year as there is no significant update further to this that the management wishes to add.

**Segment-wise consolidated performance:** (Rs. In Lakhs)

- Defense : 3.62
- Non-Defense : 156.35

**Outlook:****Highlights of FY20 vs. FY19**

- Revenue from operations at Rs. 1.60 cr v/s Rs. 164.04 cr (-99%)
- EBITDA before exceptional items of (61.29) v/s Rs. 12.83 cr ( 578 % )
- PAT at Rs. (71.21) cr v/s Rs. (1.61) cr (4323%)
- EPS of Rs. (48.78) v/s EPS of Rs. (1.22) (3898%)

**Internal control systems and their adequacy:**

Your Company has a proper and adequate system of internal control in all spheres of its activities. Moreover, the Company's Internal Audit & Control team defines and reviews the scope, coordinates and conducts Risk Based Internal Audits. Statutory and Standard Auditing Practices employed include, among other compliances to adhere to accounting and auditing standards, consideration of Laws and Regulations in an audit of financial statements, Governance and Compliance to ensure compliances, risk assessment etc. and reporting them to the Audit Committee, etc. continuously upgrades these systems in line with the best available practices.

**Key Financial Ratios**

[Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] Following are ratios for the current financial year and their comparison with preceding financial year.

S. No.	Ratio Description	March 31 <sup>st</sup> , 2020	31 <sup>st</sup> March, 2019
1.	Debtors Turnover Ratio (in days)	20	138
2.	Inventory Turnover (in days)	NA	NA
3.	Interest Coverage Ratio	(137.54)	0.64
4.	Current Ratio	0.22	1.50
5.	Debt Equity Ratio	1.30	0.49
6.	Operating Profit Margin (%)	(43.93)	0.02
7.	Net Profit Margin (%)	(44.46)	(0.01)
8.	Return on Net Worth (%)	(1.77)	(0.01)

**Cautionary Statement:**

The Board of Directors has reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus, the actual situation may differ from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.



**CERTIFICATION BY MD & CFO OF THE COMPANY****(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015 read with PART B of Schedule II)**

To  
The Board of Directors  
Sankhya Infotech Limited

Dear Sir(s),

I, the undersigned, in my respective capacity as Chairman and Managing Director of SANKHYA INFOTECH LIMITED ("the Company"), to the best of my knowledge and belief certify that:

- A. I have reviewed financial statements and the cash flow statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 and to the best of my knowledge and belief that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the Auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Date:** 09.12.2020  
**Place:** Hyderabad

**(Sridhar Krishna)**  
CMD & CFO  
DIN: 00089548

**AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE****(Pursuant to Regulation 34(3) read with Part E of Schedule V of SEBI (LODR), 2015)**

To,  
**The Members of Sankhya Infotech Limited**

We have examined the compliance of conditions of Corporate Governance by Sankhya Infotech Limited ('the Company'), for the year ended 31<sup>st</sup> March 2020, as stipulated in Regulation 34(3) read with Part E of Schedule V of SEBI (LODR) Regulations, 2015 of the Company with the stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Regulations.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2020, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.

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

**Date :** 09.12.2020  
**Place :** Hyderabad

For **M/s Ravi Rajan & Co,**  
Chartered Accountants  
Firm's Registration No.: 009073N/N9500320  
Sd/-  
**(Jayanth A)**  
Partner  
Membership No.: 231549

**Disclosures required with respect to Section 197(12) of the Companies Act, 2013**

[Pursuant to Section 197(12), read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

## a) Managerial Remuneration:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year, 2020.

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Sridhar Krishna	0.42:1

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sl. No.	Name of the KMP	Percentage increase in remuneration in the financial year
1.	Mr. Sridhar Krishna	NIL
2.	Ms. Munmun Baid*	NA
3.	Ms. Ruksana Sultana#	NA

\*Ms. Munmun Baid resigned w.e.f. 08/11/2019

# Ruksana Sultana, Chief Financial Officer resigned w.e.f. 03/12/2019

- (iii) The percentage decrease in the median remuneration of employees in the financial year 2019-20: (15.11%).  
 (iv) The number of permanent employees on the rolls of company as on March 31, 2020: NIL  
 (v) There is no average percentile increase in the salaries of the employees and there has been no change in the Managerial Remuneration compared to last year.  
 (vi) Affirmation that the remuneration is as per the remuneration policy of the company – Yes.
- b) There are no Employees drawing remuneration more than Rs. 1,02,00,000 per annum if employed throughout the financial year and Rs. 8,50,000 per month, if employed for the part of the financial year during the year.

**SECRETARIAL AUDIT REPORT**

To,  
 The Members  
 Sankhya Infotech Limited  
 CIN: L72200TG1997PLC045396  
 H.No 1-112/63, 2<sup>nd</sup> Floor, W.S.Colony, Near Kims Hospital, Kondapur, Hyderabad, Telangana-500049

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

- Maintenance of Secretarial records is the responsibility of the management of Sankhya Infotech Limited ("the Company"). My responsibility is to express an opinion on these secretarial records based on my audit. 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.
- 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. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the company..
- Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance with 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.
- 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.

Place: Nagpur  
 Date: 08.12.2020

Sd/-  
**Ms. Pooja Ojha**  
 Company Secretary in Practice  
 ACS: 41693  
 CP No.: 22300

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019**

[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,  
**Sankhya Infotech Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sankhya Infotech Limited (CIN: L72200TG1997PLC045396) (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 31<sup>st</sup> March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:  
**(Not applicable as the Company has not issued any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the year under review)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
**(Not applicable as the Company has not issued any debt securities during the year under review)**
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
**(Not applicable as the Company has not delisted/proposed to delist its equity shares from any stock exchange during the Audit Period)**
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;  
**(Not applicable as the Company has not brought back/proposed to buy-back any of its securities during the Audit Period.)**
  - h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- (vi) The industry specific acts and other applicable laws as provided by the management of the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings. I have relied on representation made by the Company and its Officer for due adherence of the applicable Secretarial Standards.
- ii. The Listing Agreements entered into by the Company with BSE Limited;

I have relied on the representation made by the Company and its officer for systems and mechanism framed by the Company for compliance under the applicable Acts, Laws and Regulation to the Company.

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

- a. During the year under review, the Company Secretary resigned from the Company on 08.11.2019 and the Company did not have Company Secretary as required under section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 as on 31.03.2020. However after the closure of the Financial Year the Company Secretary and Compliance Officer Mr.Pratik Jain has been appointed w.e.f 05.10.2020.



b. During the year under review, the Chief Financial officer resigned from the Company on 03.12.2019 and the Company did not have Chief Financial Officer as required under section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 as on 31.03.2020. However after the closure of the Financial Year the Chief Financial Officer Mr.Sridhar Krishna has been appointed w.e.f 15.09.2020

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice was 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

I further report that during the audit period no separate events/actions have occurred which have a majority bearing on the Company's state of affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc, referred as above.

Further, for this report, I relied on the information and data as provided by the Company via email and as per the explanations provided by the Company, if any, via virtual mode as due to ongoing pandemic there was complete lockdown in the nation and physical movement is restricted.

Place: Nagpur  
Date: 08.12.2020

Sd/-  
**Ms. Pooja Ojha**  
Company Secretary in Practice  
ACS: 41693  
CP No.: 22300

## Notice to all Shareholders Holding Shares in Physical Form

### Re: Restriction on transfer of shares in physical form

In terms of regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, amended, which with effect from 5<sup>th</sup> December, 2018 requests for effecting transfer of shares of listed companies shall not be processed unless the shares are held in dematerialized form.

In the view of above, shareholders are advised that to facilitate transfer of shares of the company, the same require to be dematerialized. The key steps involved in dematerialized shares are:

1. Open a demat account with a Deposit Participant (DP)
2. Submit physical share certificates(s) to the DP along with a Demat Request Form (DRF)
3. DP would inform the Depository (NSDL or CDSL) regarding the demat request
4. The DP would thereafter submit the share certificates(s) along with DRF to the Registrar of the company
5. The Registrar would validate the documents and convey Acceptance/Rejection of the demat request to the concerned Depository
6. Upon successful dematerialized of the share(s), the Registrar would update the Registrar of Members.
7. The concerned Depository would also update its record and inform the DP
8. The DP would then credit the share(s) into the demat account of the investor.

For any assistance in the matter, you may please communicate with Company's Registrar at:

Mr. Mohd Mohsin Uddin, Senior Manager  
Karvy Fintech Private Limited,  
Karvy Selenium, Tower-B, Plot No. 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032, Telangana  
Tel: 18003454001

**INDEPENDENT AUDITOR'S REPORT**  
**The Members of Sankhya InfoTech Limited**  
**Report on the Standalone IND AS Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Sankhya InfoTech Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31<sup>st</sup> March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, 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 audit opinion on financial statements.

**Material Uncertainty Related to Going Concern**

We draw attention to the Financial Statements for FY 2019-20, which indicates that the Company incurred a Net Loss of Rs. 7,111.69 lakhs during the year ended March 31, 2020 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 3,694.62 lakhs. The events or conditions as set out below, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

1. Substantial increase in the losses.
2. Continuous cancellation of contracts and no new orders to execute.
3. No business operations in the Subsidiary Companies and closure of the Subsidiary companies.
4. Negative Working Capital
5. As there are no contracts to execute there are no employees continuing in the company at the end of financial year.
6. Overdue Working Capital Loans from IDBI Bank Ltd.

**Emphasis of matter:**

Owing to the continued cancelled contracts, the revenue for the Year ended 31<sup>st</sup> March 2020 has been insignificant.

IDBI bank has initiated proceedings under NCLT. However as on date, application has not been admitted by NCLT against the company.

We did not review the financial statements of the branch included in the audited financial statements, whose results reflect total assets and total revenue of Rs. NIL as at 31<sup>st</sup> March 2020, as considered in the respective audited financial statements, during the Financial year 2019-20 the company has closed all its overseas operations as at 30<sup>th</sup> September, 2019.

Our conclusion on the Statement is not modified in respect of the above matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.





Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition</b></p> <p>Accuracy of recognition, measurement, presentation and disclosure of revenue and other related balances in view of adoption of IND AS 115 "Revenue from contracts with customers" (New revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p><b>(Refer Note No. 2 Point No. (3) of Significant Accounting Policies and Note No. 19 of Profit and Loss Account)</b></p>	<p><b>Principal Audit procedures</b></p> <p>We assessed the company's process to identify the impact of adoption of the new accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal control and substantive testing of follows :</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reper formance and inspection of evidence in respect of operation of these controls.</li> <li>• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>• Compared these performance obligations with that identified and recorded by the Company.</li> <li>• 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>• Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.</li> <li>• In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.</li> <li>• Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>• We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</li> </ul> </li> </ul>

**Management's Responsibility for the Stand Alone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- a. Identify and assess the risks of material misstatement of the 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.
- b. Obtain an understanding of internal financial controls 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 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.
- e. Evaluate the overall presentation, structure and content of the 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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.

### **Other Matter**

We did not audit the financial statements/ information of branch included in the financial statements of the Company whose financial statements/financial information reflect total assets of Rs. NIL as at 31st March, 2020 and the total revenue of Rs. NIL for the year ended on that date, as considered in the financial statements/information of this branch have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of these matters.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company has made provision, as required under the applicable law 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 Ravi Rajan & Co.  
Chartered Accountants

Firm's Registration No. 009073N/N9500320

**(Jayanth. A)**

Partner

(Membership No.: 231549)

**Place:** New Delhi

**Date:** 29.06.2020

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sankhya Infotech Limited of even date)

i. In respect of the Company's fixed assets:

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

b) According to information and explanations given to us and based on the audit procedures conducted by us, the company has physically verified its fixed assets during the year. As explained to us, the management verifies the fixed assets once in three years as per the program, which, in our opinion is reasonable having regard to the size of the company and nature of its assets.

c) According to information and explanations given to us and based on the audit procedures conducted by us, the company does not have any immovable properties. Hence clause 'c' of the order is not applicable.

ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, sub clause (a) and (b) of clause (iii) regarding regularity of receipt of the principal amount and interest and recovery of overdue amount is not applicable.

iv. According to the information and explanations given to us and based on the audit procedures conducted by us,

a) The company has not given any loans and advances to the parties covered under section 185 of the companies Act. Thus, there is no noncompliance of provisions of Section 185.

b) The company has not given any loans and guarantee or providing any security in connection with a loan, to any person or other body corporate and acquiring securities of any other body corporate against the provisions of Section 186 of Companies Act 2013.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. 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.

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

a) According to the information and explanations given to us and on the basis of our Examination of the records of the Company, amount deducted/accrued in the books of Account in respect of undisputed statutory dues including provident fund, ESI, income tax, sales tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us some undisputed amount payable in respect Income Tax, and other material statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they become payable.

	Rs. In Crs
Naure of Dues	Amount
Provident Fund	0.47
ESI	0.05
TDS payable	0.41
Income Tax	0.45

b) As per the information and explanation given to us following dues of Income Tax and GST are unpaid as they are disputed as on 31<sup>st</sup> March, 2020:

Nature of the statute	Nature of Dues	Forum Where the dispute is pending	Period to which the amount relates	Amount Rs.
Income Tax	Income Tax	Principal Commissioner of Income Tax - 3 , Hyderabad (appeals)	Assessment Year 2016-17	Rs. 9,76,67,850
Income Tax	Income Tax	CIT(A), Hyderabad – 3 (appeals)	Assessment Year 2015-16	Rs. 1,26,62,070
GST	Goods & Service Tax	Commissioner of Central Excise (appeals)	1 Jan, 2013 to 30-09-2016	Rs. 32,53,155

viii. Based on our audit procedures and as per the information and explanations given by the management, the term loans were applied for the purpose for which the loans were obtained.

xi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

x. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xi. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiii. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

For Ravi Rajan & Co.  
Chartered Accountants  
Firm's Registration No. 009073N/N9500320

**(Jayanth. A)**  
Partner  
(Membership No.: 231549)

**Place:** New Delhi  
**Date:** 29.06.2020



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **Sankhya Infotech Limited** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

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

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

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

#### 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.

#### 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, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ravi Rajan & Co.  
Chartered Accountants  
Firm's Registration No. 009073N/N9500320

**(Jayanth. A)**  
Partner  
(Membership No.: 231549)

**Place:** New Delhi  
**Date:** 29.06.2020



<b>SANKHYA INFOTECH LIMITED</b>			
<b>H.No 1-112/63, 2<sup>nd</sup> Floor, W.S.Colony, Near Kims Hospital, Kondapur, Hyderabad,-500049</b>			
<b>IND AS Balance Sheet as at 31<sup>st</sup> March, 2020</b>			
Particulars	Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
<b>I. Assets</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	50.21	127.41
(b) Capital work-in-progress	3	671.05	671.05
(c) Other Intangible assets	3	7500.14	8,333.54
(d) Financial Assets			
(i) Loans and advances	4	3.42	18.77
		<b>8224.82</b>	<b>9,150.77</b>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Trade receivables	5	6.81	5,829.07
(ii) Cash and cash equivalents	6	1.39	80.34
(b) Other current assets	7	1037.02	1,072.97
		<b>1045.22</b>	<b>6,982.38</b>
<b>Total</b>		<b>9270.04</b>	<b>16,133.15</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity Share Capital	8	1459.71	1,314.52
(b) Other Equity	9	2566.52	9,487.43
<b>Total Equity</b>		<b>4026.23</b>	<b>10,801.95</b>
<b>(2) LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	-	172.42
(b) Provisions	11	21.00	41.75
(c) Deferred tax liabilities (Net)	12	482.97	449.11
(d) Other non-current liabilities	13	-	27.63
		<b>503.97</b>	<b>690.91</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	3006.19	2,887.62
(ii) Trade payables	15	582.76	623.49
(iii) Other financial liabilities (other than those specified in item (c))	16	238.73	217.80
(b) Provisions	17	287.17	292.72
(c) Other current liabilities	18	625.00	618.66
		<b>4,739.85</b>	<b>4,640.29</b>
<b>Total Liabilities</b>		<b>5243.82</b>	<b>5,331.20</b>
<b>TOTAL</b>		<b>9270.04</b>	<b>16,133.15</b>
Company Information	1		
Summary of Significant Accounting Policies	2		
Additional Notes Forming Part of Financial Statements	25		

Notes referred to above form an Integral part of the statement of the Balance Sheet and should be read in conjunction therewith.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of Board

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm's Registration No. 009073N/9500320

**Sridhar Krishna**  
Chairman & Managing Director  
DIN: 00089548

**Putcha Sarada**  
Independent Director  
DIN: 08534921

**Jayanth. A**  
Partner  
M.No.: 231549

**Place:** Hyderabad  
**Date:** 29.06.2020





## SANKHYA INFOTECH LIMITED

H.No 1-112/63, 2<sup>nd</sup> Floor, W.S.Colony, Near Kims Hospital, Kondapur, Hyderabad,-500049  
IND AS Profit and Loss statement for the year ended 31<sup>st</sup> March, 2020

Particulars	Note No.	For the Year Ending 31 <sup>st</sup> March 2020	For the Year Ending 31 <sup>st</sup> March 2019
		Rs. in Lakhs	Rs. in Lakhs
<b>I.</b> Revenue From Operations	19	159.97	16,404.73
<b>II.</b> Other Income	20	28.42	18.06
<b>III. Total Income (I +II)</b>		<b>188.39</b>	<b>16,422.79</b>
<b>IV.</b> Expenses:			
a. Employee Benefit Expenses	21	3255.49	9,420.28
b. Operating Expenses	22	319.83	1,194.67
c. Finance Costs	23	51.09	432.53
d. Depreciation and Amortization Expense	3	910.38	1,002.35
e. Other Expenses	24	2742.05	4,524.59
<b>V. Total Expenses</b>		<b>7278.84</b>	<b>16,574.42</b>
<b>VI.</b> Profit Before Exceptional and Tax (III -IV)		(7090.45)	(151.63)
<b>VII.</b> Exceptional Items		-	-
<b>VIII. Profit before tax (VI-VII)</b>		<b>(7090.45)</b>	<b>(151.63)</b>
<b>IX.</b> Tax expense:			
(1) Minimum Alternate Tax		-	-
Less Mat Tax Credit Entitlement		-	-
(2) Deferred tax		30.58	8.94
<b>X. Profit/(Loss) for the period (VIII-IX)</b>		<b>(7121.03)</b>	<b>(160.57)</b>
<b>XI. Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to Profit & Loss Account			
- Remeasurement of defined benefit plans		12.62	(0.98)
- Less: Tax on remeasurement of defined benefit plans		(3.28)	0.32
B. (i) Items that will be reclassified to Profit & Loss Account			
Tax related to items that will be reclassified to Profit & Loss Account		-	-
<b>XII. Total Comprehensive Income for the period (X+ XI)</b>		<b>(7111.69)</b>	<b>(161.23)</b>
<b>XIII. Earning per equity share:</b>			
<b>Basic and Diluted Earnings per Share (Rs.)</b>		<b>(48.78)</b>	<b>(1.22)</b>

Notes Referred to above form an Integral part of the Statement of Profit and Loss and should be read in conjunction therewith.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of Board

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm's Registration No. 009073N/N9500320

**Sridhar Krishna**  
Chairman & Managing Director  
DIN: 00089548

**Putcha Sarada**  
Independent Director  
DIN: 08534921

**Jayanth. A**  
Partner  
M.No.: 231549

**Place:** Hyderabad  
**Date:** 29.06.2020

**Place:** Hyderabad  
**Date:** 29.06.2020

**SANKHYA INFOTECH LIMITED**

**H.No 1-112/63, 2<sup>nd</sup> Floor, W.S.Colony, Near Kims Hospital, Kondapur, Hyderabad,-500049**  
**IND AS Cash Flow Statement as at 31<sup>st</sup> March, 2020**

**(Rs.In Lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) Before Tax</b>	(7090.45)	(151.63)
Adjustment for:		
Depreciation & Ammortization Expense	910.38	1,002.35
Interest Expenses	51.09	432.53
Interest Income	-	(1.73)
Employee Benefits Exp. (Acturial Gain/Loss on Gratuity)	(12.62)	(0.98)
<b>Change in operating assets and liabilities</b>	<b>(6141.60)</b>	<b>1,280.54</b>
Adjustment for:		
Decrease/(Increase) in Trade Receivables	5822.26	741.81
Increase/(Decrease) in Short term Borrowings	118.57	300.00
Increase/(Decrease) in Trade Payables	(40.74)	44.47
Increase/(Decrease) in Other Current Liabilities	6.34	14.29
Increase/Decrease in short term provisions	(23.76)	(1.37)
Increase/(Decrease) in Gratuity payable	-	(1.99)
Increase/(Decrease) in Other Current Assets	35.94	214.96
Increase/(Decrease) in Other Current Financial Liability	20.93	8.40
Increase/(Decrease) in provisions	-	14.51
<b>Cash Generated from operations</b>	<b>(177.47)</b>	<b>2,615.62</b>
Net off of Tax	<b>2.55</b>	-
<b>Net Cash from /(Used) in Operating Activities</b>	<b>(180.02)</b>	<b>2,615.62</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/Sales of Fixed Assets	0.21	(2,176.70)
Decrease/(Increase) in Long Term Loans & Advances	15.35	(1.66)
Interest Received	-	1.73
<b>Net Cash from/(Used) in Investing Activities</b>	<b>15.56</b>	<b>(2,176.63)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long term borrowings	(172.42)	48.48
Increase/(Decrease) in Other Long term Liabilities	(27.63)	2.97
Interest Paid	(51.09)	(432.53)
Issue of Equity Share Capital and difference of OCI	94.91	-
Security Premium on issue of Equity share Capital	567.27	-
Share Warrant application	(425.55)	-
<b>Net Cash from/(Used) in Financing Activities</b>	<b>85.49</b>	<b>(381.08)</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(78.96)</b>	<b>57.92</b>
<b>Opening Cash and Cash Equivalents</b>	<b>(2307.27)</b>	<b>(2,365.19)</b>
<b>Closing Cash and Cash Equivalents</b>	<b>(2,386.23)</b>	<b>(2,307.27)</b>

Note: As per IND AS 7 - Cash flow statement, the CC limits (demand liability) is considered as essential cash management and hence the same is classified as Cash & Cash equivalents.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of Board

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm's Registration No. 009073N/N9500320

**Sridhar Krishna**  
Chairman & Managing Director  
DIN: 00089548

**Putcha Sarada**  
Independent Director  
DIN: 08534921

**Jayanth. A**  
Partner,  
M.No.: 231549

**Place:** Hyderabad  
**Date:** 29.06.2020

**Place:** Hyderabad  
**Date:** 29.06.2020

**Sankhya Infotech Ltd.**Statement of Change in Equity as on 31<sup>st</sup> March, 2020

Particulars	Equity	Other Equity						Total Equity
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	Share Warrants Money	General Reserves	Retained Earnings	Other Comprehensive Income	
<b>Balance as at 31/03/2019 (AS Per IND AS)</b>	1,314.52	84.03	2,397.21	425.55	37.40	6562.89	(19.65)	10,801.95
Additions in share Capital	145.20	49.07	567.27		-			761.54
Profit for the year						(7121.03)		(7121.03)
Acturial Gain/(Loss) net of tax							9.33	9.33
Addition in Share warrants Money				(425.55)		-		(425.55)
<b>Balance as on 31/03/2020 (As Per IND AS)</b>	<b>1459.72</b>	<b>133.10</b>	<b>2964.48</b>	<b>-</b>	<b>37.40</b>	<b>(558.14)</b>	<b>(10.32)</b>	<b>4026.23</b>

AS PER OUR REPORT OF EVEN DATE

For and on behalf of Board

For **M/s. Ravi Rajan & Co,**  
Chartered Accountants  
Firm's Registration No. 009073N/N9500320

**Sridhar Krishna**  
Chairman & Managing Director  
DIN: 00089548

**Putcha Sarada**  
Independent Director  
DIN: 08534921

**Jayanth. A**  
Partner  
M.No.: 231549

**Place:** Hyderabad  
**Date:** 29.06.2020

**Place:** Hyderabad  
**Date:** 29.06.2020

**Note No. 1 – Company Information**

Sankhya is a leading software products and services company serving the rapidly growing niche markets of Training, Education, Modeling and Simulation. The company has developed several Software products targeted in the area of Education, Training and Learning and owns 100% of the "Intellectual Property" in them. The company's services include software services around the products, development of Simulation software for specific customer needs, courseware, besides providing consulting support to customers, and is a well-established name in the field of Education, Training & Simulation.

Sankhya's vision is to ensure the success of global organizations by providing them with intelligent learning platforms and content to enable them to continuously re-skill and enhance the effectiveness of their employees, adapting to the changing world.

Our mission is to enhance the organizational effectiveness of mission critical enterprises by providing continuous experiential training and enriching the competency of people in core functions!!

**Note No. 2 - Significant Accounting Policies****1. Basis of preparation of financial statements**

The Company has adopted accounting policies that comply with Indian Accounting standards (IND AS or Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16<sup>th</sup> February, 2015 under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

**a) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

**b) Financial Instrument**

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. Financial asset is any assets that is

Cash;

An equity instrument of another entity;

A contractual right:

(i) To receive cash or another financial asset from another entity; or

(ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or A contract that will or may be settled in the entity's own equity instruments and is:

(i) A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets include current and non-current investments, loan to employees and body corporate, security deposits, trade receivables and other eligible current and non-current assets



Financial Liability is any liabilities that is

A contractual obligation :

- (i) To deliver cash or another financial asset to another entity; or
- (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

A contract that will or may be settled in the entity's own equity instruments and is:

- (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities include Loans, trade payable and eligible current and non-current liabilities.

Transitional provisions in opening balance sheet as per Ind AS 101

The Company designates a previously recognized financial asset/financial liability as a financial asset/ financial liability measured at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind ASs.

The Company has assessed whether a financial asset meets the conditions w.r.t. classification criteria on the basis of the facts and circumstances that exist at the date of transition to Ind ASs, practically feasible.

### **Classification**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (i) The entity's business model for managing the financial assets and
- (ii) The contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (i) The financial asset is held within a business model whose objective is achieved by both collecting ontractual cash flows and selling financial assets and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

### **Recognition**

Financial assets and financial liabilities are recognized when and only when the Company becomes party to the contractual provisions of the instrument.

### **Initial Measurement**

Financial assets and financial liabilities are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### **Subsequent measurement of financial assets**

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities are subsequently measured at amortized cost or fair value through profit or loss.

### **Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets which are classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

**c) Employee benefits :**

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit or loss. However, Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.

**d) Trade receivables :**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As the company does not have trade receivables with aging above 6 months, the ECL has not been provided for in the books of accounts.

**e) Deferred taxes**

The above changes increased (decreased) the deferred tax asset as follows based on a tax rate of 26 percent:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 "Income Taxes" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

**f) Retained earnings :**

Retained earnings as at 1<sup>st</sup> April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**g) Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans (net of tax). Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

**h) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

**2. Use of estimates**

The preparation of financial statements in conformity with Ind ASs requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**3. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can reliably be measured.

**Revenue from Services:**

- Time and material contracts– Revenues are recognized on the basis of time spent duly approved by the respective customers.
- Fixed price contracts – Revenues are recognized on the basis of approval received from the respective customers in accordance with the "Percentage of Completion" method.
- Internal timesheets or timesheets submitted by vendors for time and material contracts and for fixed price contracts based upon assessment of work done.

Other Income – In other income such as income from interest is recognized using the time proportion method, based on rates implicit in the transaction.

**Criteria for recognition of revenue as per IND AS 115**

**1. Identifying the contract**

**"An entity shall account for a contract with a client that is within the scope of IND AS 115 only when all of the following criteria are met:**

- a. the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- b. the entity can identify each party's rights regarding the goods or services to be transferred;
- c. the entity can identify the payment terms for the goods or services to be transferred;
- d. the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract);
- e. it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the client. "





## 2. Identifying performance obligations

"At contract inception, an entity shall assess the goods or services promised in a contract with a client and shall identify as a performance obligation each promise to transfer to the client either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the client"

## 3. Satisfaction of performance obligations (Paras referred to IND AS 115)

**Para 31** "An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a client. An asset is transferred when (or as) the client obtains control of that asset."

**Para 32** "For each performance obligation identified, an entity shall determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time (in accordance with paragraph 38). If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time."

**Para 33** "Goods and services are assets, even if only momentarily, when they are received and used (as in the case of many services). Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. The benefits of an asset are the potential cash flows (inflows or savings in outflows) that can be obtained directly or indirectly in many ways, such as by:

- a. using the asset to produce goods or provide services (including public services);
- b. using the asset to enhance the value of other assets;
- c. using the asset to settle liabilities or reduce expenses;
- d. selling or exchanging the asset;
- e. pledging the asset to secure a loan; and
- f. holding the asset."

**Para 38** "If a performance obligation is not satisfied over time in accordance with paragraphs 35– 37 an entity satisfies the performance obligation at a point in time. To determine the point in time at which a client obtains control of a promised asset and the entity satisfies a performance obligation, the entity shall consider the requirements for control in paragraphs 31–33. In addition, an entity shall consider indicators of the transfer of control, which include, but are not limited to, the following:

- a. The entity has a present right to payment for the asset:** if a client is presently obliged to pay for an asset, then that may indicate that the has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset in exchange.
- b. The customer has legal title to the asset:** legal title may indicate which party to a contract has the ability to direct the use of, and obtain substantially all of the remaining benefits from, an asset or to restrict the access of other entities to those benefits. Therefore, the transfer of legal title of an asset may indicate that the customer has obtained control of the asset. If an entity retains legal title solely as protection against the customer's failure to pay, those rights of the entity would not preclude the customer from obtaining control of an asset.
- c. The entity has transferred physical possession of the asset:** the customer's physical possession of an asset may indicate that the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits. However, physical possession may not coincide with control of an asset. For example, in some repurchase agreements and in some consignment arrangements, a customer or consignee may have physical possession of an asset that the entity controls.
- d.** Conversely, in some bill-and-hold arrangements, the entity may have physical possession of an asset that the customer controls. Paragraphs B64–B76, B77–B78 and B79–B82 provide guidance on accounting for repurchase agreements, consignment arrangements and bill-and-hold arrangements, respectively.
- e. The customer has the significant risks and rewards of ownership of the asset:** the transfer of the significant risks and rewards of ownership of an asset to the customer may indicate that the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. However, when evaluating the risks and rewards of ownership of a promised asset, an entity shall exclude any risks that give rise to a separate performance obligation in addition to the performance obligation to transfer the asset. For example, an entity may have transferred control of an asset to a customer but not yet satisfied an additional performance obligation to provide maintenance services related to the transferred asset.
- f. The customer has accepted the asset:** the customer's acceptance of an asset may indicate that it has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

## 4. Expenditure

All software development and services purchased are charged to cost of revenue in at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise the year of acquisition. Provisions are made for all known losses and liabilities. Where ever applicable leave encashment liability is provided on the basis of actuarial valuation.

## 5. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. "Cost means" cost of bringing the asset to its working condition for its intended use. Property, plant and equipment are capitalized as per IND AS 16 as notified by the Chartered Accountants of India. Capital work in progress comprises of the expenditure incurred in the process of developing the intangible assets for the time being and the assets are not yet ready for their intended use as at the date of Balance sheet.

Depreciation is required to be provided on the basis of the useful lives of the assets as estimated by management in the manner prescribed under Section 123 read with Schedule II of the Companies Act, 2013. Accordingly, the company has adopted the Depreciation Policy for Tangible Assets in line with Schedule II of the Companies Act, 2013.

The Company has availed the exemption provided in IND AS 101- "First Time Adoption of IND AS" and has stated the PPE at existing cost as deemed cost.

## **6. Intangible Fixed Assets and amortization**

Intangible assets other than goodwill are valued at cost less amortization. These generally comprise of costs incurred to acquire computer software licenses and implement the software for internal use (including software coding, installation, testing and certain data conversion) as well as costs paid to acquire studies for obtaining approvals from registration authorities of products having proven technical feasibility. Research costs are charged to earnings as they arise. Costs incurred for applying research results or other knowledge to develop new products, are capitalized to the extent that these products or registrations are expected to generate future financial benefits. Other development costs are expensed as and when they arise. Intangible assets are reported at acquisition value with deductions for accumulated amortization and any Impairment losses. Amortization is provided on a written down value basis over the asset's anticipated useful life.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognized on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The useful life is determined based on the period of the underlying contract and the period of time over which the intangible asset is expected to be used and generally does not exceed 10 years. An impairment test of intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

## **7. Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

## **8. Retirement and other employee benefits**

### **i) Retirement benefit costs**

Payments to retirement benefit plans such as provident fund are recognized as an expense.

For retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expense'. Curtailment gains and losses are accounted for as past service costs.



Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

## ii) Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Short term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees. The contributions as specified under the law are paid to the Provident Fund set up as irrevocable trust by the Company or to the Regional Provident Fund Commissioner. The Company is generally liable for annual contribution and any shortfall in the fund assets based on the government specified minimum rates of return. Such contributions and shortfall, if any, are recognized in the Statement of Profit and Loss as an expense in the year incurred.

Expenses for gratuity and supplemental payment plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees

The contributions to Gratuity are made to fund administered by the Life Insurance Corporation of India (LIC).

The employees of the Company are entitled to compensate absence. The employees can carry-forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Long term compensated absences is accrued based on actuarial valuation at the balance sheet date carried out by an independent actuary.

## 9. Earnings per share

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 10. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

### i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted upto the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

*ii) Deferred tax*

Deferred income tax is recognized using the balance sheet approach. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there be sufficient taxable profits against which to utilize the benefits of the temporary differences and are expected to reverse in the foreseeable future.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets and, the Company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in the said asset is created by way of credit to the statement of profit and loss as disclosed as 'MAT Credit Entitlement'. The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable Company and the same taxation authority.

**iii) Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

**11. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.





## **12. Contingent liabilities**

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

## **13. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

## **14. Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## **15. Trade payables**

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## **16. Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of Company after deducting all of its liabilities. Equity instruments are recognized at the proceeds received, net of direct issue costs.

## **17. Compound financial instruments**

The component parts of compound financial instruments (convertible instrument) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible instrument using the effective interest method.

## **De-recognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments substantially different terms is accounted for as an extinguishment of the original financial liability the recognition of a new financial liability. Similarly, a substantial modification of the terms of existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**18. Unbilled Revenue**

The work in progress is the unbilled amount for the contracts that are in execution stage and the client deliverables are either in testing phase or certification/ acceptance stage, Therefore revenue is not recognized. The same is accounted for at Cost.

**19. Investments**

Long Term Investments in wholly owned subsidiary are at cost less impairment. Current Investment are valued at the lower of cost and fair value.

**20. Research and development**

Capital Expenditure incurred on research and development is depreciated over the estimated life of related assets and the revenue expenditure is expensed as incurred.

**21. Foreign currency transactions Initial Recognition**

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period:

- (i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- (ii). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- (iii). Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

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 profit or loss in the period in which they arise.

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange Differences**

Exchange differences arising on the settlement of monetary items at rates difference from those at which they were initially recorded during the year, or reported in previous financial expenses in the year in which they arise.

**Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

**Translation of foreign branch**

The financial statements of an integral foreign operation at France are translated as if the transactions of the foreign operation have been those of the company itself.

**22. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**23. Cash and cash equivalents (for the purpose of Cash Flow Statement)**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash flows are reported taking the indirect method, wherein net profit before tax is adjusted for the transactions of non-cash nature and others or other accruals of past or future receipts and / or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

**24. Segment Reporting**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment Revenue, Segment Expenses, Segment Assets and Segment Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated Revenue / Expenses / Assets / Liabilities".





## **25. Trade receivables**

Trade receivables are recognized initially at fair value and all are considered as current subsequently measured at amortized cost using the effective interest method, less provision for impairment.

## **26. Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset and that transactions are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected allowance is computed based on a provision matrix which takes into account historical experience and adjusted for forward-looking information.

## **De-recognition of financial assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks rewards of ownership and continues to control the transferred asset, the Company recognizes its interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying and the sum of the consideration received and receivable and the cumulative gain or loss that had recognized in other comprehensive income and accumulated in equity is recognized in profit or loss, such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. On de-recognition of a financial asset, other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of financial asset between the part it continues to recognize under continuing involvement, and the part that is no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and sum of the consideration received for the part no longer recognized and any cumulative gain or allocated to it that had been recognized in other comprehensive income is recognized in the statement of profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

## Notes forming part of Financial Statement

(Rs. In Lakhs)

NOTE NUMBER : 3  
FIXED ASSETS AS ON 31<sup>st</sup> March, 2020

S. No.	Particulars	%	As on 01.04.2019	Gross Block				Depreciation/Amortization				Net Block			
				Total Additions during the year	Sale / Deletions during the year	Gross block As on 31.03.2020	Accumulated Depreciation as on 01.04.2019	Depreciation for the year 2019-20	Accumulated Depreciation as on 31.03.2020	Adjustment Made in accumulated Dep(Residual Value Written Off)	As on 31.03.2020	As on 31.03.2019			
<b>1</b>	<b>TANGIBLE FIXED ASSETS</b>														
a	Plant & Machinery	15.33%	96.25	-	-	96.25	46.20	13.12	59.32					36.93	50.05
d	Computers	40.00%	379.38	-	20.90	358.48	301.98	63.91	345.20	20.69				13.28	77.40
	<b>Total of Tangible Assets (A)</b>		<b>475.63</b>	-	<b>20.90</b>	<b>454.73</b>	<b>348.22</b>	<b>77.02</b>	<b>404.56</b>					<b>50.21</b>	<b>127.41</b>
<b>2</b>	<b>INTANGIBLE FIXED ASSETS</b>														
a	Learning Management Products	10.00%	3,560.98	-	-	3,560.98	1,580.74	198.02	1,778.76	-				1,782.21	1,980.24
b	Training Management Products	10.00%	3,364.93	-	-	3,364.93	1,112.11	225.28	1,337.39	-				2,027.53	2,252.81
c	Advanced simulation lab	10.00%	533.45	-	-	533.45	249.72	28.37	278.09	-				255.36	283.73
d	Simulator Products	10.00%	1,759.74	-	-	1,759.74	648.23	111.15	759.38	-				1,000.36	1,111.51
e	Knowledge Based Content	10.00%	3,445.92	-	-	3,445.92	1,511.72	193.42	1,705.14	-				1,740.78	1,934.20
f	Optimization Products	10.00%	623.98	-	-	623.98	271.98	35.20	307.18	-				316.79	352.00
g	Sage CRM Server 200	10.00%	4.21	-	-	4.21	4.00	0.02	4.02	-				0.18	0.22
h	Vstudio Team Ed(5 Users)	10.00%	6.48	-	-	6.48	5.02	0.15	5.17	-				1.31	1.46
i	Unity liscence	10.00%	0.76	-	-	0.76	0.35	0.04	0.39	-				0.36	0.40
j	Online Examination System	10.00%	600.99	-	-	600.99	184.02	41.70	225.72	-				375.27	416.97
	<b>Total of Intangible Assets (B)</b>		<b>13901.44</b>	-	-	<b>13901.44</b>	<b>5,567.90</b>	<b>833.35</b>	<b>6,401.25</b>					<b>7,500.14</b>	<b>8,333.54</b>
	<b>CAPITAL WORK IN PROGRESS</b>		671.05	-	-	671.05	-	-	-					671.05	671.05
	<b>GRAND TOTAL (A+B)</b>		<b>15,048.11</b>	-	<b>20.90</b>	<b>15027.21</b>	<b>5,916.12</b>	<b>910.38</b>	<b>6,805.81</b>	<b>20.69</b>				<b>8,221.40</b>	<b>9,132.00</b>

**CURRENT ASSETS**

<b>NOTE NO. 4 : FINANCIAL ASSETS - LOANS AND ADVANCES</b>			
<b>S. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
I	<b>Long - Term Loans and Advances</b>		
	<b>a) Security Deposit</b>		
	Unsecured & Considered good Refer Note 4	3.42	18.77
	<b>Note No. 4:</b> EMD is provided for the various projects and Central Excise. As these security deposits does not carry any interest, the carrying amount is shown at fair value as per IND AS		
	<b>Total Loans and Advances</b>	<b>3.42</b>	<b>18.77</b>

<b>NOTE NO. 5 : FINANCIAL ASSETS - TRADE RECEIVABLES</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
I	Unsecured – Considered Good		
	Trade Receivables Considered Good (Below 6 months)	4.37	5,829.07
	Trade Receivables Considered Good (Above 6 months)	2.44	-
	<b>Total Trade Receivables</b>	<b>6.81</b>	<b>5,829.07</b>

<b>NOTE NO. 6 : FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
I	a) Cash and Cash Equivalents :		
	1) Balances with Banks in Current Accounts in India	1.34	2.82
	2) Balances with Banks in Current Accounts outside India	-	77.39
	3) Cash on Hand	0.05	0.13
	<b>Total Cash and Cash Equivalents</b>	<b>1.39</b>	<b>80.34</b>

**NOTE NO. 7 : OTHER CURRENT ASSETS**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
1	Advance for Expenditure	61.00	74.74
2	TDS Receivable	3.36	1.02
3	Input Credit-GST	3.73	28.28
4	Mat tax credit Entitlement	968.93	968.93
	<b>Total Other Current Assets</b>	<b>1037.02</b>	<b>1,072.97</b>

**NOTE NO. 8 : SHARE CAPITAL**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
		No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
a	Share Capital (For each class of capital) Authorised 20,000,000 Equity Shares of Rs. 10/- each Issued, Subscribed and Paid up 1,45,970,570 Equity Shares of Rs.10/- each, fully paid up <b>Note No. 8:</b> During the year the company has increased its paid up capital from 1314.52 to 1459.71 Lakhs.	200.00	2,000.00	200.00	2,000.00
	<b>Total Equity Share capital</b>		<b>1459.71</b>		<b>1,314.52</b>
b	A Reconciliation of the Number of Shares Outstanding at the Beginning and at the end of the Reporting Period: <b>Equity Shares of Rs.10 Each, Fully paid up:</b> At the Beginning Issued During the year Forfeited / Bought Back During the Year <b>At the End</b>	No. of Shares		No. of Shares	
			131.45		131.45
			18.52		-
			4.00		-
			<b>145.97</b>		<b>131.45</b>
c	Details of Shareholder Holding more than 5% Shares of the Company:	<b>% of Share Holding</b>			
	<b>Equity Shares of Rs. 10 each Held By</b>	No. of Shares	Percentage	No. of Shares	Percentage
	Paratha Saradhi Pudhota	19,00,000.00	13.02	19,00,000.00	14.45
	N Indira Ramani	1304591	8.94	-	-
	N Parvatavardhani	763922	5.23	-	-



## NOTE NO. 9 : OTHER EQUITY

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
I	<b>RESERVES AND SURPLUS</b>		
	a) <b>Capital reserve</b>		
	As at the commencement of the year	84.03	84.03
	Add: Additions during the year (forfeiture of share application money)	49.07	-
	<b>Total Capital Reserve</b>	<b>133.10</b>	<b>84.03</b>
	b) Securities Premium		
	As at the commencement of the year	2,397.21	2,397.21
	Add: Additions during the year	567.27	-
	<b>Total Securities Premium</b>	<b>2964.48</b>	<b>2,397.21</b>
	c) General Reserves	-	
	As at the commencement of the year	37.40	37.40
	<b>Total General Reserve</b>	<b>37.40</b>	<b>37.40</b>
	d) Share warrants Money	-	<b>425.55</b>
	e) Surplus		
	Opening balance – Profit and Loss Account	6562.89	6,767.84
	Less Ind AS impact on Share warrant money adjusted	0.66	44.38
	Add: Transfer from Profit & Loss Account	(7111.69)	(160.57)
	<b>Total</b>	<b>(549.46)</b>	<b>6,562.89</b>
	Add: Other comprehensive income arising from remeasurement of defined benefit obligation	19.00	(19.65)
	<b>Closing Balance</b>	<b>(568.47)</b>	<b>6,543.24</b>
	<b>Total Other Equity</b>	<b>2566.52</b>	<b>9,487.43</b>

**NON-CURRENT LIABILITIES**

<b>NOTE NO. 10 : FINANCIAL LIABILITY- BORROWINGS</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
(i)	<b>Unsecured</b>		
	- Form Related Parties Refer Note No.10	-	47.55
	- From Others Refer Note No. 10	-	124.87
	<b>Note No. 10:</b> The unsecured loan and advances for 2019 are taken from other related parties. As the loans does not carry any interest, the carrying amount is shown at fair value based on ERR		
	<b>Total Borrowings</b>	<b>-</b>	<b>172.42</b>

<b>NOTE NO. 11 : LONG TERM PROVISIONS</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
(i)	Gratuity payable (Non Current Liability)	19.54	35.01
(ii)	Leave Encachment (Non Current Liability)	1.46	6.74
	<b>Total Long Term Provisions</b>	<b>21.00</b>	<b>41.75</b>

<b>NOTE NO. 12 : DEFERRED TAX LIABILITY ( NET )</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
(i)	Opening Deferred Tax Liability	449.11	439.85
	Add:Deferred Tax Liability for the Year	30.58	9.26
	Other OCI accounted for the year	3.28	-
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>482.97</b>	<b>449.11</b>



**NOTE NO. 13 : OTHER LONG TERM LIABILITIES**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
(i)	Security Deposit Note No.13: Security Deposit for the year 2019 has been shown at fair value as per IND AS	-	27.64
	<b>Total Other Long Term Liabilities</b>	<b>-</b>	<b>27.64</b>

**CURRENT LIABILITIES****NOTE NO. 14 : FINANCIAL LIABILITIES - BORROWINGS**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
I	<b>Short Term Borrowings</b>	-	-
	a) Loans Repayable on Demand:		
	From Banks	2,387.62	2,387.62
	Secured Refer Note No. 14(i)		
II	<b>Term Loans:</b>		
	Unsecured - Refer Note No. 14(ii)		
	From related parties	19.77	-
	From Others	571.17	500.00
III	Security Deposit Note No.14 (iii)	27.63	-
	Note No.14 (i): The Working capital loan was taken from IDBI Bank Ltd which was secured by first charge on all current assets of the Company and Second charge on all fixed Assets of the Company, Mortgage of land belongs to Mrs. N. Parvata Vardhani which is situated at Yadaram Village, Medchal and pledge of shares belonging to promoter Director in favour of IDBI Bank Ltd, Branch Hyderabad and it is further secured by personal guarantee of Promoter Director. IDBI Bank has sanctioned the Cash credit limits of Rs. 22.00 Crores and Working Capital Term Loan of Rs. 2.47 Crores on 1.4.2017.		
	The IDBI Bank has withdrawn the restructuring package based on 12.2.2018 RBI circular which has now been struck down by the supreme court of India, the bank has recalled the entire Cash Credit (CC) limits, and issued notice under section 13 (2) of SARFAESI ACT 2002, filed suit for recovery of Rs. 25,55,47,379.94 with Debt Recovery Tribunal (DRT). Apart from the DRT, IDBI Bank has initiated Proceedings under NCLT. However, as on date application has not been admitted by NCLT against the Company.		
	Note No.14 (ii) & (iii): The unsecured loans, Security deposits and advances are taken from related parties and others. As the loans does not carry any interest, the carrying amount is shown at fair value based on ERR .		
	<b>Total Short Term Borrowings</b>	<b>3006.19</b>	<b>2,887.62</b>

**NOTE NO. 15 : FINANCIAL LIABILITIES - TRADE PAYABLES**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
(i)	a) Trade Payables Total outstanding dues of creditors other than micro enterprises and small enterprises.  Note No. 15: Based on the Information available with the Company there are no suppliers who are registered as Micro, Small & Medium Enterprises under the Micro Small Medium Enterprises Development Act 2006, as at 31 <sup>st</sup> March, 2020 or as at the end of previous year. Therefore the question of liability towards interest in terms of section 16 of Micro, Small & Medium Enterprise development act 2006 does not arise.	582.76	623.49
	<b>Total Trade Payables</b>	<b>582.76</b>	<b>623.49</b>

**NOTE NO. 16 : FINANCIAL LIABILITIES -OTHER CURRENT**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
(i)	Gratuity payable	-	2.28
(ii)	Interest Payable & Interest Accrued	226.42	202.86
(iii)	Provision for expenditure	12.31	11.09
(iv)	Leave Encashment payable	-	1.57
	<b>Total Other Current Liabilities</b>	<b>238.73</b>	<b>217.80</b>

**NOTE NO. 17 : FINANCIAL LIABILITIES - PROVISIONS**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
(i)	MAT Payable	287.17	289.72
(ii)	Other Provisions	-	3.00
	<b>Total Short Term Provisions</b>	<b>287.17</b>	<b>292.72</b>

**NOTE NO. 18 : OTHER CURRENT LIABILITIES**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
(i)	Provision for Income Tax	365.86	365.86
(ii)	TDS Payable	43.43	41.79
(iii)	Salaries Payable	163.57	161.09
(iv)	ESI Payable	5.14	5.00
(v)	PF Payable	46.88	44.78
(vi)	PT Payable	0.12	0.14
(vii)	other payables	-	-
	<b>Total Other Current Liabilities</b>	<b>625.00</b>	<b>618.66</b>

**NOTE NO. 19 : REVENUE FROM OPERATIONS**

S. No.	Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
I	<b>Revenue from operations</b>		
	(a) Income from Services		
	Domestic Income	29.18	8.48
	Overseas Income	130.79	16,396.25
	<b>Total Revenue From Operations</b>	<b>159.97</b>	<b>16,404.73</b>

**NOTE NO. 20 : OTHER INCOME**

S. No.	Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
I	(a) Interest Income		
	Interest on financial assets not at Fair value through profit and loss - Deposit EMD and others	-	1.73
	(b) Net Foreign Exchange Gain	28.42	10.74
	(c) Misc Income	-	5.59
	<b>Total Other Income</b>	<b>28.42</b>	<b>18.06</b>

**NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES**

S. No.	Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
I	(a) Salaries & Wages	3247.03	9,402.83
	(b) Contribution to Provident & Other Funds	6.80	15.80
	(c) Staff Welfare Expenses	1.66	1.65
	<b>Total Employee Benefit Expenses</b>	<b>3255.49</b>	<b>9,420.28</b>

As per IND AS 19 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

**Defined Contribution Plans:****PROVIDENT FUND**

The provident fund is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities. The Company has recognized the following amounts in the Profit and Loss Account for the year:

Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
	Rs. in Lakhs	Rs. in Lakhs
Contribution to Provident Fund	2.91	4.67
<b>Defined Benefit Plans:</b>		
a. Gratuity	(17.13)	7.86
b. Leave Encashment	(6.84)	2.97

Gratuity is payable to employees as per Payment of Gratuity Act. Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy. The company has funded the Gratuity liability with Group Gratuity Scheme of Life Insurance Corporation of India Ltd.

**Valuations in respect of Gratuity have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:**

**GRATUITY**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Discount Rate per annum (Compound)	4.77%	7.63%
Rate of increase in Salaries	4.00%	4.00%
Expected Average remaining working lives of employees in no. of years	0.76 Years	28.87 Years

**Summary of Key Information - Gratuity****i. Changes in Defined Benefit Obligation:**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	Rs. in Lakhs	Rs. in Lakhs
Present Value of obligation 01.04.2019	37.29	29.38
Interest Cost	2.84	2.35
Current Service Cost	-	4.04
Actuarial (Gain) / Loss	(20.6)	1.52
Benefits paid	-	0
Present Value of obligation as at 31.03.2020	19.53	37.29

**ii. Changes in Fair Value of Plan Assets:**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	Rs. in Lakhs	Rs. in Lakhs
Fair Value of Plan Assets as at 01.04.2019	0.62	0.62
Adjustment in opening balance	-	-
Expected Return on Plan Assets	0.03	-
Employer Contribution	0	-
Actuarial Gain/(Loss)	0	-
Benefits Paid	(0.65)	-
Fair Value of Plan Assets as at 31.03.2020	0	0.62

**iii. Reconciliation of the Present value of defined Present Obligations and the Fair Value of Assets:**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	Rs. in Lakhs	Rs. in Lakhs
Present Value of obligations as at 31.03.2020	19.53	37.29
Fair Value of Plan Assets as at 31.03.2020	0	(0.62)
Present Value of unfunded obligation as at 31.03.2020	19.53	36.67
Unfunded Net Liability recognised in Balance Sheet	19.53	36.67

**iv. Expenses recognised in statement of Profit and Loss:**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	Rs. in Lakhs	Rs. in Lakhs
Current Service Cost	0	4.04
Interest Cost	2.84	2.35
Net Actuarial (Gain) / Loss	(20.6)	1.52
Expected Return on Plan Assets	(0.03)	(0.05)
Others	0.65	
Total Expenses recognised in statement of Profit and Loss A/c	(17.14)	7.86
Expected Employer contribution for next year	(17.14)	7.86

**NOTE NO. 22 : OTHER OPERATING EXPENSES**

S. No.	Particulars	For the Year Ended 31 <sup>st</sup> March, 2020	For the Year Ended 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
(i)	<b>Operating Expenses</b>		
	(a) Computer Hardware & Accessories	0.47	1.30
	(b) Technical Assistance	32.10	129.43
	(c) Power & Fuel	9.71	26.48
	(d) Rent	47.54	104.05
	(e) Repairs & Maintenance - Computers	101.50	230.76
	(f) Insurance	19.03	45.35
	(g) Legal fee	97.40	6.15
	(h) Rates & Taxes	10.40	641.99
	(i) Miscellaneous Expenditure	1.68	9.16
	<b>Total Operating Expenses</b>	<b>319.83</b>	<b>1,194.67</b>

**NOTE NO. 23 : FINANCE COST**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
		Rs. in Lakhs	Rs. in Lakhs
(i)	<b>(a) Interest Expenses:</b>		
	- Interest on Cash Credit	33.56	379.85
	- Interest on Unsecured Loan	11.79	29.10
	- Bank charges	5.74	10.73
	<b>(b) Interest on financial assets not at Fair value through profit and loss</b>	-	12.85
	<b>Total Finance Cost</b>	<b>51.09</b>	<b>432.53</b>

<b>NOTE NO. 24 : OTHER EXPENSES</b>			
<b>S. No.</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
		<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
(i)	<b>Administrative Expenses</b>		
	(a) Telephone, Postage and Others	29.55	70.58
	(b) Business Promotion Expenses	0.08	570.65
	(c) Conveyance	132.58	349.66
	(d) Office Maintenance	19.92	50.89
	(e) Printing & Stationery Expenses	8.56	36.33
	(f) Managerial Remuneration	18.00	36.00
	(g) Professional Charges	1716.21	2,089.31
	(h) Director Sitting Fee	0.86	-
	(i) Payment to Auditors:		
	(i) Audit Fee	5.00	5.00
	(ii) Tax Audit Fee	2.77	1.50
	(iii) Audit Reimbursement of Expenses	1.60	1.50
	(iv) Internal Audit Fee	1.40	1.50
	(v) Branch Audit Fee	3.96	7.97
(ii)	<b>Other Expenses</b>		
	(a) Staff Recruitment & Training Expenditure	15.66	55.87
	(b) Advertisement	1.80	3.21
	(c) Communication charges	26.03	68.16
	(d) Books & Periodicals	0.78	1.94
	(e) Membership & Subscriptions	1.21	6.44
	(f) Annual maintenance & Other expenses	1.11	1.18
	(g) Travel Expenditure	80.37	363.55
	(h) Research & Development Expenses	402.18	802.08
	(i) AGM Expenses	0.34	1.27
	(j) EMD Deposits and ITC input written off	48.20	-
	(k) Losses on revocation of loan	223.88	-
	<b>Total Other Expenses</b>	<b>2742.05</b>	<b>4,524.59</b>

**NOTE NO. 25 – OTHER NOTES**

<b>1.</b>			<b>(Rs. in lakhs)</b>
	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>	
<b>Contingent liability not provided for in respect of:</b>	NIL	NIL	
(Performance bank guarantees given to clients)			





2. **Research and Development** - The Company has In – House Research & Development Centre involved in developmental activities for new products in the fields of Simulation and Training. Details of Capital & Revenue Expenditure incurred are as detailed below.

(Rs. in Lakhs)

Expenditure	2019-20	2018-19
Employee Cost	396.91	791.35
Rent	4.28	8.04
Electricity	0.99	2.69
<b>Total</b>	<b>402.18</b>	<b>802.08</b>

3. **Segment Information as per Accounting Standard (AS) - 108** - The Company has identified two types of reporting segments at standalone level viz., Business Segment and Geographical Segments. Business Segments identified as Defense & Non-Defense and Geographical segments identified as Domestic and Overseas. Segments have been identified and reported taking into account nature of products and services the differing risks, returns and the internal business reporting systems. Accounting policies adopted for segment reporting are in line with Accounting Policy of the company and are in accordance with the IND AS - 108.

**BUSINESS SEGMENT**

(Rs. in Lakhs)

S. No.	Particulars	Defense		Non-Defense		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	<b>REVENUE</b>						
	External Turnover	3.62	5,262.60	156.35	11,142.13	159.97	16,404.73
	Inter Segment Turnover	NIL	NIL	NIL	NIL	NIL	NIL
	<b>TOTAL REVENUE</b>	<b>3.62</b>	<b>5,262.60</b>	<b>156.35</b>	<b>11,142.13</b>	<b>159.97</b>	<b>16,404.73</b>
2	<b>RESULTS</b>						
	<b>Operating profit</b>	<b>(1907.80)</b>	<b>70.22</b>	<b>(5199.49)</b>	<b>210.68</b>	<b>(7039.36)</b>	<b>280.90</b>
	Less Interest Expenses	-	-	-	-	51.09	432.53
3	<b>Profit Before Tax</b>	-	-	-	-	<b>(7090.45)</b>	<b>(151.63)</b>
	Current Tax	-	-	-	-	-	-
	Less mat tax credit	-	-	-	-	-	-
	Deferred Tax	-	-	-	-	30.58	8.94
	other provision	-	-	-	-	-	-
	<b>Profit After Tax</b>	-	-	-	-	<b>(7121.03)</b>	<b>(160.57)</b>
4	Segment Assets	NIL	NIL	NIL	NIL	NIL	NIL
	Unallocated Corporate Assets	-	-	-	-	7550.35	8,460.95
	<b>Total Assets</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>7550.35</b>	<b>8,460.95</b>
5	Segment Liabilities	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	NIL	NIL
	Unallocated Corporate Liabilities	-	-	-	-	5243.82	5,331.21
	<b>Total Liabilities</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>5243.82</b>	<b>5,331.21</b>
6	<b>Capital Employed</b>	-	-	-	-	<b>4530.20</b>	<b>11,492.86</b>
7	Capital Expenditure-Net	-	-	-	-	8221.40	9,132.00
8	Depreciation	-	-	-	-	910.38	1,002.35
9	Non Cash Exp Other than Depreciation	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

Capital employed as also assets and liabilities of the company are not capable of being stated separately segment-wise since all the assets and liabilities are held under composite undertaking for both the geographic segments.

**GEOGRAPHICAL SEGMENT****(Rs. in Lakhs)**

Segment Revenue	Export				Domestic		Total	
	France		UAE		Indian			
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	-	10,823.53	130.79	5,572.72	29.18	8.48	159.97	16,404.73

**4. Related Party Disclosure as per Accounting Standard (AS-18):****Name of the related parties and description of relationships:****Key Management Personnel**

- i) Mr. Sridhar Krishna - Chairman & Managing Director (CMD)
- ii.) Ms. Munmun Baid - Company Secretary (Cessation w.e.f. 8<sup>th</sup> November, 2019)
- iii.) Ms. Ruksana Sultana – Chief Financial Officer (Cessation w.e.f. 3<sup>rd</sup> Dec, 2019)
- IV.) Mr.Sridhar Krishna – Chief Financial Officer (Appointment w.e.f. 15<sup>th</sup> Sep, 2020)
- V.) Mr.Pratik Jain - Company Secretary (Appointment w.e.f. 5<sup>th</sup> October, 2020)

**Relatives of Key Management Personnel**

- i) Mr. N. Ramakrishna Rao - Father of CMD
- ii) Mrs. N. Gayatri - Wife of CMD
- iii) Mrs. N. Nalini - Daughter of CMD
- iv) Mrs. N. Parvata Vardhani - Mother of CMD
- v) Mr. N. Srinivas - Brother of CMD

**(Rs. in Lakhs)**

Nature of transaction	Period	Key Management Personnel	Relatives to Key Management Personnel	Total
Remuneration	<b>2019-20</b>	<b>29.23</b>	-	<b>29.23</b>
	2018-19	<b>41.00</b>	-	<b>41.00</b>
Unsecured Loans taken	<b>2019-20</b>	-	<b>262.31</b>	<b>262.31</b>
	2018-19	-	<b>252.30</b>	<b>252.30</b>
Share warrant Money Received	<b>2019-20</b>		<b>335.98</b>	<b>335.98</b>
	2018-19		<b>44.38</b>	<b>44.38</b>
Unsecured Loans Repaid	<b>2019-20</b>	-	11.59	11.59
	2018-19		19.60	19.60
Year End Balances- Liabilities	<b>31.03.2020</b>	-	<b>561.19</b>	<b>561.19</b>
	31.03.2019	-	517.67	517.67

**\*Remuneration to Director is Rs. 18 Lakhs****5. Earnings per Share (EPS) As per Accounting Standard (AS) - 20****(Rs. in Lakhs)**

Particulars		<i>For the year ended 31.03.2020</i>	<i>For the year ended 31.03.2019</i>
Profit available for equity shareholders	<b>(A)</b>	(7121.03)	(160.57)
Weighted average number of equity shares	<b>(B)</b>	145.97	131.45
Nominal value of equity share		10	10
<b>Earnings per share – Basic / Diluted</b>	<b>(A/B)</b>	<b>(48.78)</b>	<b>(1.22)</b>

**6. Expenditure incurred in Foreign Currency**

(Rs. in Lakhs)

S. No.	Nature of Expenditure	Amount
1	Employee Benefit Expenses	3210.27
2	Other Operating Expenses	156.10
3	Administrative Expenses	1196.21
4	Other Expenses	66.09
5	Bank Charges	3.13
<b>Total</b>		<b>5465.93</b>

**7. Overseas Transactions**

Overseas transaction during the year were accounted till 30.9.2019 and after that the entire overseas operations has been closed.

**8. Corporate Social Responsibility (CSR) as per Companies Act, 2013**

The provisions of Section 135 of the Companies Act, 2013 relating to CSR is not applicable to the company as the net average of the company during the last two years and current year amounts to Rs.(2,126.97) Lakhs and also the major source of income is attributable to overseas branch. Accordingly, there is no CSR provision in the books of accounts.

**9. Regrouping & Rounding off**

The previous year's figures have been reclassified and regrouped, wherever necessary to confirm the Current Year classification and to confirm to the relevant laws. Paisa has been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of Board

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm's Registration No. 009073N/N9500320

**Sridhar Krishna**  
Chairman & Managing Director  
DIN: 00089548

**Putcha Sarada**  
Independent Director  
DIN: 08534921

**Jayanth. A**  
Partner  
M.No.: 231549

**Place:** Hyderabad  
**Date:** 29.06.2020

**Place:** Hyderabad  
**Date:** 29.06.2020

**1. Financial Instrument****(i) Capital Management**

The gearing ratios at the end of reporting year are as under:

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Debt*	2978.56	3,071.13
Cash and Bank Balances (including cash and bank balances in a disposal group held for sale)	1.39	80.34
<b>Net Debt</b>	<b>2979.95</b>	<b>3,151.47</b>
<b>Equity</b>	<b>4026.23</b>	<b>10,801.95</b>
<b>Total Debt + Equity</b>	<b>7006.18</b>	<b>13,953.42</b>
Net Debt to Equity Ratio	74.01%	29.17%

\*Debt is defined as long-term and short-term borrowings.

**(ii) Categories of Financial Instruments****(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Financial Assets measured at Amortised Cost</b>		
a) Cash and Cash Equivalent including Bank Balances	1.39	80.34
b) Loan	3.42	18.77
c) Trade Receivables	6.81	5,829.07
<b>Total</b>	<b>11.62</b>	<b>5,928.18</b>

**(Rs. in lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Financial Liabilities measured at Amortised Cost</b>		
a) Long Term Borrowing	-	183.51
b) Short Term Borrowing	2978.56	2,887.62
c) Trade Payables	582.75	623.49
d) Other Financial Liability	238.73	206.71
<b>Total</b>	<b>3,800.04</b>	<b>3,901.33</b>

The carrying amounts of Security Deposits, Borrowings, trade receivables, cash and cash equivalents, trade payables, other financial liabilities and other financial assets are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**(b) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investments in quoted equity instruments. Quoted equity instruments are valued using quoted prices at stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This level includes mutual funds which are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity instruments included in level

**(iii) Fair Value Measurement****(Rs.in lakhs)**

Particulars	Fair Value on ERR of 12% as at		Fair Value Hierarchy
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	
<b>Financial Liabilities</b>			
Borrowing	2,978.56	3,071.13	Level 2
Security Deposit	27.63	27.63	Level 2

**(iv) Financial Risk Management****(a) Interest Rate Risk Management**

The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**Interest Rate Sensitivity Analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.



Particulars	Interest Impact as at	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>If Increase by 50 Basis Point</b>		
Impact on Profit or Loss for the year	-	(16)
Impact on Total Equity as at the end of the reporting period	-	135.24
<b>If Decrease by 50 Basis Point</b>		
Impact on Profit or Loss for the year	-	(14.67)
Impact on Total Equity as at the end of the reporting period	-	133.92

**(b) Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Liquidity and Interest Risk Tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the company may be required to pay. (Rs. in lakhs)

Contractual Maturities of Non current financial liabilities	Weighted Average Effective Interest Rate (%)	Within 1 Year	1-3 yrs	Total
<b>As at 31<sup>st</sup> March, 2020</b>				
Borrowings	12	2978.56	0	2978.56
Trade Payables	12	582.75	0	582.75
<b>Total</b>		<b>3561.31</b>	<b>0</b>	<b>3561.31</b>
<b>As at 31<sup>st</sup> March, 2019</b>				
Borrowings	12	2,898.71	172.42	3,071.13
Trade Payables	12	623.49	0	623.49
<b>Total</b>		<b>3,522.20</b>	<b>172.42</b>	<b>3,694.62</b>

Particulars	Carrying Value as at	
	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>i) Financial Assets - Current</b>		
Trade Receivables	6.81	5,829.07
Cash and Cash Equivalents	1.39	80.34
Loans	3.42	18.77
Other Financial Assets	-	-
<b>ii) Financial Liabilities - Current</b>		
Borrowings	2978.56	2,887.62
Trade Payables	582.75	623.49
Other Financial Liabilities	238.73	217.80

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****(Rs. in Lakhs)**

I	<b>Registration Details</b>	
	Registration No:	045396
	State Code	01
	Balance Sheet Date:	31 <sup>st</sup> March, 2020
II	<b>Capital Raised During the Year</b>	[Amount in Rs.]
	Public Issue	NIL
	Preferential Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III	<b>Position of Modification and deployment of Funds</b>	
	Total Assets	9270.04
	Total Liabilities	9270.04
	<b>Sources of Funds</b>	
	Paid Up Capital	1459.71
	Share Application Money	NIL
	Secured Loans	2,387.62
	Reserves & Surplus	2566.52
	<b>Application of Funds</b>	
	Net Fixed Assets	8221.40
	Miscellaneous Expenditure	NIL
IV	<b>Performance of the Company Turnover</b>	188.39
	Profit/Loss After Tax	(7090.45)
	Earnings per share in Rs (Annualized)	(48.78)
	Dividend	NIL
The accompanying Notes are an integral part of the Financial Statements		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of Board

For **M/s.Ravi Rajan & Co,**  
Chartered Accountants  
Firm's Registration No. 009073N/N9500320

**Sridhar Krishna**  
Chairman & Managing Director  
DIN: 00089548

**Putcha Sarada**  
Independent Director  
DIN: 08534921

**Jayanth. A**  
Partner  
M.No.: 231549

**Place:** Hyderabad  
**Date:** 29.06.2020

**Place:** Hyderabad  
**Date:** 29.06.2020





**Printed Matter  
Book Post**

**If undelivered please return to:**



**Regd. Office**  
**SANKHYA INFOTECH LIMITED**  
H.No 1-112/63, 2<sup>nd</sup> Floor,  
W.S.Colony, Near Kims Hospital,  
Kondapur, Hyderabad,  
Telangana-500049