

**FOURTH GENERATION  
INFORMATION SYSTEMS LTD**

**15<sup>th</sup> ANNUAL REPORT  
2012-2013**

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## CORPORATE INFORMATION

### Board of Directors:

- |                                 |   |                   |
|---------------------------------|---|-------------------|
| 1. Mr. C. N. Somasekhara Reddy  | — | Managing Director |
| 2. Mr. K. Sudheer               | — | Director          |
| 3. Mr. K. Santosh Reddy         | — | Director          |
| 4. Mr. C. N. Mallikarjuna Reddy | — | Director          |
| 5. Mr. T. Srivenkata Ramana     | — | Director          |

### Registered Office:

1<sup>st</sup> Floor, Society Complex,  
MLA'S Colony, Road No.12,  
Banjara Hills,  
Hyderabad-500034  
Tel: 040 – 23373949

### Auditors:

M. M. Reddy & Co.,  
Chartered Accountants,  
Rajbhavan Road,  
Somajigudda, Hyderabad.

### Audit Committee:

- 1) Mr. C. N. Mallikarjuna Reddy
- 2) Mr. T. Srivenkata Ramana
- 3) Mr. K. Santosh Reddy

### Remuneration Committee:

- 1) Mr. C. N. Mallikarjuna Reddy
- 2) Mr. T. Srivenkata Ramana
- 3) Mr. K. Santosh Reddy

### Investor Grievance Committee:

- 1) Mr. C. N. Mallikarjuna Reddy
- 2) Mr. T. Srivenkata Ramana
- 3) Mr. K. Santosh Reddy

### Bankers:

Indian Overseas Bank  
Main Branch, Abids,  
Hyderabad,  
Andhra Pradesh

### Listed At:

- 1) BSE Limited
- 2) Ahmedabad Stock Exchange Limited

### Registrar & Share Transfer Agents:

Big share Services Pvt Ltd,  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai – 400072

## NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Shareholders of M/s Fourth Generation Information Systems Limited will be held on Saturday the 28th day of September, 2013 at 11.00 a.m. at the registered office of the company at 1st Floor, Society Complex, MLA'S Colony, Road No.12, Banjara Hills, Hyderabad - 500034, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Profit & Loss Account and Cash Flow Statement for the year ended on that date together with the Schedules and Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. K. Santosh Reddy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS:

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

Voluntary delisting of securities from Ahmedabad Stock Exchange Limited:

**“RESOLVED THAT** subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed there under, listing agreement, SEBI (Delisting of Securities) Guidelines, 2003, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the company be and is hereby authorised to seek voluntarily delisting of its securities from Ahmedabad Stock Exchange Limited.”

**“RESOLVED FURTHER THAT** the securities of the company shall continue to be listed on the stock exchange having nationwide trading terminal i.e., BSE Limited and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the company.”

**“RESOLVED FURTHER THAT** the Board of directors of the company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution.”

For and on behalf of the Board  
**Fourth Generation Information Systems Limited**

Sd/-

**C.N. Somasekhara Reddy**  
(Managing Director)

Place: Hyderabad  
Date: 13.08.2013

**NOTES:**

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 24.09.2013 to 28.09.2013 (Both days Inclusive).
4. Members are requested to produce the Attendance Slip duly signed as per the Specimen Signature recorded with the Company/Depository Participant for admission to the meeting hall.
5. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to send the same to the office of the Registrar and Transfer Agent of the Company.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e. Electric/Telephone Bill, Driving License or a copy of passport and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA without any delay.
8. A Member desirous of receiving any information on the accounts or operations of the company is requested to forward his/her queries to the Company at least 7 working days prior to the meeting, so that the required information can be made available at the meeting.
9. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
10. It shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTAs for registration of such transfer of shares, for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed companies.
11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Bigshare Services Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.

13. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

For and on behalf of the Board  
**Fourth Generation Information Systems Limited**

Place: Hyderabad  
Date: 13.08.2013

Sd/-  
**C.N. Somasekhara Reddy**  
(Managing Director)

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## **EXPLANATORY STATEMENT**

(Pursuant To Section 173(2) of the Companies Act, 1956)

### **Item No. 4:**

#### **Voluntary Delisting of Securities from Ahmedabad Stock Exchange Limited:**

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need not be given where securities of the company remain listed on the stock exchange having nationwide trading terminal, i.e., BSE Limited or the National Stock Exchange of India and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the company are listed at BSE Limited and Ahmedabad Stock Exchange Limited. Considering no trading at Ahmedabad Stock Exchange Limited and as a part of its cost reduction measure, the consent of members is sought for getting its securities delisted from Ahmedabad Stock Exchange Limited as proposed in the special resolution. The securities of the company shall continue to be listed on BSE Limited, Mumbai.

The Board recommends the resolution for approval of members.

None of the directors is, in any way, concerned or interested in the said resolution.

For and on behalf of the Board  
**Fourth Generation Information Systems Limited**

Place: Hyderabad  
Date: 13.08.2013

Sd/-  
**C.N. Somasekhara Reddy**  
(Managing Director)

## DIRECTORS' REPORT

To,  
The Members

We have pleasure in presenting the Fifteenth Annual Report with Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2013.

### FINANCIAL HIGHLIGHTS AND OPERATIONS

The Operating results for the year are as follows:

(Rs in Lakhs)

Particulars	2012-2013	2011-12
Total Income	66.28	76.71
Profit/(Loss) before Interest and Depreciation	(8.41)	(47.88)
Less:	—	—
Interest and Financial Charges	—	—
Depreciation and other Write-offs	2.32	2.29
Profit/(Loss) before tax	(6.09)	(45.59)
Provision for current tax and deferred tax	—	—
Profit/(Loss) after tax	(6.09)	(45.59)
Add: Balance Brought forward	(175.48)	(1252.47)
Balance carried forward	(181.56)	(1298.06)

### OPERATIONS:

During the year 2012-13, the Company had a turnover of Rs. 66.28 Lakhs against which the Company incurred a net loss of Rs. 6.09 Lakhs as compared to the turnover of Rs. 76.71 Lakhs and a net loss of Rs. 45.59 Lakhs in the previous year 2011-12.

### DIVIDEND:

Your Directors have decided not to recommend dividend for the year.

### PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

### LISTING:

The equity shares of your company are listed on the BSE Limited and Ahmedabad Stock Exchange Limited. The Company proposes to delist from Ahmedabad Stock Exchange as there is no trading of the shares of the Company on ASE.

### REDUCTION OF CAPITAL, CONVERSION OF UNSECURED LOAN INTO EQUITY AND INFUSION OF FUNDS.

Pursuant to the petition filed by the Company with Hon'ble High Court of Andhra Pradesh, The Hon'ble Court vide its Orders dated 27.12.2012 approved the scheme of arrangement

## Fourth Generation Information Systems Ltd.

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and allowed for reduction and consolidation of share capital, conversion of unsecured loan into equity and infusion of fresh capital in the following manner:

- a) Setting-off the losses of the Company of Rs.11,22,60,600/- against its Paid Up Capital of Rs.12,47,34,000/- resulting in a reduction of Rs.11,22,60,600 from its Paid Up Capital.
- b) Upon setting off the accumulated losses, the issued, subscribed and paid up capital of the Company stands at Rs.1,24,73,400/- divided into 6,23,67,000 Equity Shares of Re.0.2/-each. The said issued, subscribed and paid up share capital of the company has been consolidated into Rs.1,24,73,400/- divided into 12,47,340 Equity Shares of Re.10/- each.
- c) Further, the unsecured loans amounting to Rs.1,10,50,000/- standing in the books of the Company as on 31st March, 2012 have been converted into Equity Shares i.e., Rs.1,10,50,000/- divided into 11,05,000 Equity Shares of Rs.10/- each .
- d) After conversion of unsecured loans into equity shares, the total number of equity shares of the company after set off of accumulated losses and after conversion of unsecured loans into equity shares stands at 23,52,340 Equity shares of Rs.10/- each. (12,47,340 + 11,05,000)
- e) The Company has allotted 11,97,660 Equity Shares of Rs.10/- each for cash at par aggregating to Rs.1,19,76,600 to Strategic Investors.

### **CAPITAL OF THE COMPANY:**

Authorized capital of the company stands at Rs.12,95,00,000 divided into 1,29,50,000 equity shares of Rs. 10/- each. Paid up capital of the company stands at Rs.3,55,00,000 divided into 35,50,000 equity shares of Rs. 10/- each.

### **SUBSIDIARY COMPANY:**

The Company does not have any subsidiary company.

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

### **DIRECTORS:**

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Director namely Mr. K. Santosh Reddy retires by rotation and being eligible, offers himself for re-appointment at this ensuring Annual General Meeting. Your Directors recommend his re-appointment.



**BRIEF PROFILE OF APPOINTING/RE-APPOINTING DIRECTOR:**

Mr. K. Santosh Reddy

<b>Particulars</b>	Mr. K. Santosh Reddy
Date of Birth	04.05.1984
Date of Appointment	15.02.2011
Qualifications	Graduate
No. of Shares held in the Company	NIL
Directorships held in other companies (excluding private limited and foreign companies)	Dot Com Global Limited
Positions held in mandatory committees of other companies	Nil

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000 your directors confirm:

- i) that the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year.
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- iv) that the directors had prepared the annual accounts on the going concern basis.

**COMPLIANCE CERTIFICATE :**

Your company has obtained a secretarial compliance certificate under proviso to sub-section 1 of section 383A of Companies Act, 1956 from a practicing company secretary which forms part of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO :**

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

**A. Conservation of Energy:**

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

**B. Technology Absorption:**

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

**C. Foreign Exchange Earnings and Out Go:**

- Foreign Exchange Earnings : NIL
- Foreign Exchange Outgo : NIL

**PARTICULARS OF EMPLOYEES:**

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

**CODE OF CONDUCT:**

The Code of conduct has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. Code of conduct has also been placed signed on the website of the company. A declaration signed by the Managing Director is given elsewhere in the Annual report.

**AUDITORS:**

Your directors propose the appointment of M/s. M. M. Reddy & Co., as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

**CORPORATE GOVERNANCE:**

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors forms part of this Report as Annexure.

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and cooperation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

**DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

The shareholders

I, C. N. Somasekhara Reddy, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board  
**Fourth Generation Information Systems Limited**

Sd/-

**C.N. Somasekhara Reddy**  
(Managing Director)

Place: Hyderabad  
Date: 13.08.2013

## **REPORT ON CORPORATE GOVERNANCE**

(Forming part of Directors' Report)

### **I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Fairness, accountability, disclosures and transparency form the four pillars of your Company's philosophy of Corporate Governance. Your Company strongly believes that for attaining sustainable growth in this competitive corporate world, Corporate Governance is a pre-requisite. The governance practices followed by your Company have played a vital role in its journey of continued success. Our endeavor over the years has been to strengthen the governance processes and systems attributing to constant improvisations, sustainability, and profitable growth and creating long-term value for the stakeholders.

All the procedures, policies and practices followed by your Company are based on sound governance principles.

### **II. BOARD OF DIRECTORS**

The Board of Directors consists of 5 Members of whom 3 are Non-Executive, Independent Directors and 2 are Promoter, Executive Directors. The Composition of the Board is in conformity with the listing requirements.

The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV) (G) of the Listing Agreement, are mentioned in the Directors' Report, forming part of the Annual Report.

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 companies is given below. Other Directorships do not include alternate directorships, directorships of the private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship/Membership of board Committees includes only Audit and shareholders/ Investor Grievances Committees.

Pecuniary relationship or transaction of the Non-executive Directors vis-à-vis the company. None of the Non-executive Directors has any pecuniary relationship or transactions with the company.

The Board of Directors met 6 times during the year on 10.05.2012, 14.08.2012, 14.11.2012, 27.12.2012, 14.02.2013 and 06.03.2013 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

## Fourth Generation Information Systems Ltd.

The details of Composition of Board of Directors, directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/ memberships held by the Directors during the year are as follows:

S. No	Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee memberships/ chairmanships		
			No. of Board meetings		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1.	Mr. C. N. Somasekhara Reddy	Promoter & Executive Director	6	6	Yes	2	NIL	NIL
2.	Mr. T. Srivenkata Raman	Promoter & Executive Director	6	6	Yes	2	NIL	NIL
3.	Mr. C. N. Mallikarjuna Reddy	Independent Director	6	6	Yes	2	NIL	2
4.	Mr. K. Santosh Reddy	Independent Director	6	6	Yes	1	1	1
5.	Mr. K. Sudheer	Independent Director	6	6	Yes	NIL	NIL	NIL

### Committees of the Board:

Currently, there are three (3) Committees of the Board, namely: Audit Committee, Remuneration Committee, Shareholders / Investors Grievance Committee and Share Transfer Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder:

### III. AUDIT COMMITTEE

#### Composition, meetings and the attendance during the year:

- a) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- b) The terms of reference of the Audit Committee include a review of;
  - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
  - Reviewing with management the annual financial statements before submission to the Board, focusing on:
    1. Any changes in accounting policies and practices;
    2. Qualification in draft audit report;
    3. Significant adjustments arising out of audit;
    4. The going concern concept;
    5. Compliance with accounting standards;
    6. Compliance with stock exchange and legal requirements concerning financial statements;
    7. Any related party transactions
  - Reviewing the company's financial and risk management's policies.
  - Disclosure of contingent liabilities.
  - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - Reviewing compliances as regards the Company's Whistle Blower Policy.
- c) The previous Annual General Meeting of the Company was held on 29<sup>th</sup> September 2012 and Mr. C. N. Mallikarjuna Reddy, Chairman of the Audit Committee, attended previous AGM.
- d) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2012-2013, (4) four meetings of the Audit Committee were held on the 10.05.2012, 14.08.2012, 14.11.2012 and 14.02.2013.

## Fourth Generation Information Systems Ltd.

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The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of meetings attended
Mr. C. N. Mallikarjuna Reddy	Chairman	NED (I)	4
Mr. T. Srivenkata Ramana	Member	ED (P)	4
Mr. K. Santosh Reddy	Member	NED (I)	4

**NED (I):** *Non-Executive Independent Director*

**ED (P):** *Executive Director Promoter*

The necessary quorum was present at all the meetings.

### IV. REMUNERATION COMMITTEE

The details of composition of the Committee are given below:

Name	Designation	Category
Mr. C. N. Mallikarjuna Reddy	Chairman	NED (I)
Mr. T. Srivenkata Ramana	Member	ED (P)
Mr. K. Santosh Reddy	Member	NED (I)

### Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director/ other key employees of the Company and while approving:

- ♦ To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- ♦ To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

### Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

During the year, no remuneration was paid to either executive or non executive directors.

### V. SHAREHOLDERS / INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE

#### A) Composition during the year

The Shareholders/Investors Grievance Committee was constituted to look into the redressing of Shareholders and Investors complaints concerning transfer of

shares, non receipt of Annual Reports, and non receipt of Dividend and other allied complaints.

The Details of composition of the Committee and attendance of the members at the meetings are given below:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. C. N. Mallikarjuna Reddy	Chairman	NED (I)
Mr. T. Srivenkata Ramana	Member	ED (P)
Mr. K. Santosh Reddy	Member	NED (I)

**B) Powers:**

**The committee has been delegated with the following powers:**

- ◆ To redress shareholders and investor complaints relating to transfer of shares, dematerialization of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- ◆ To approve, transfer, transmission, and issue of duplicate/ fresh share certificate(s).
- ◆ Consolidate and sub-division of share certificate etc.
- ◆ To redress, approve and dispose off any, other complaints, transactions and requests etc. received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

The Board has designated Mr. C. N. Somasekhar Reddy, Managing Director as the Compliance Officer.

The Company has designated email id info@fgisindia.com & cns@fgisindia.com for redressal of shareholders' complaints/grievances.

**Complaints received and redressed by the Company during the financial year:**

During the year no complaints were received.

<b>S.No</b>	<b>Particulars</b>	<b>Remarks</b>
1.	At the beginning of the year	NIL
2.	Received during the year	NIL
3.	At the end of the year	NIL

**VI. GENERAL BODY MEETINGS:**

Financial Year	Date	Time	Venue	Special Resolution
14 <sup>th</sup> AGM 2011-2012	29.09.2012	10.00 AM	1 <sup>st</sup> Floor, Society Complex, MLA's Colony, Road No.12, Banjara Hills, Hyderabad.	Alteration of articles to permit participation by the Directors and members in the meetings through electronic mode including video conferencing
13 <sup>th</sup> AGM 2010-2011	30.09.2011	11.00 AM	1 <sup>st</sup> Floor, Society Complex, MLA's Colony, Road No.12, Banjara Hills, Hyderabad.	1) Regularisation of Mr. Santosh Reddy Kattamidi, as a Director. 2) Regularisation of Mr. C. N. Mallikarjuna Reddy, as a Director. 3) Appointment of Mr. C. N. Somasekhar Reddy, as Managing Director.
12 <sup>th</sup> AGM 2009-2010	30.09.2010	09.45 AM	Flat No. 201, H.No. 2-1-566/1 Osmania University Road, Nallakunta, Hyderabad.	1) Regularisation of Mr. A. Ramesh Babu, as a Director 2) Regularisation of Mr. T. Srivenkata Ramana, as a Director. 3) Regularisation of Mr. C. N. Somasekhar Reddy, as Managing Director.

**VII. OTHER DISCLOSURES**

- (a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- (b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- (d) **Whistle Blower policy:** The Company established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the company. The mechanism provided direct access to the Managing Director/Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the company.
- (e) The Company has complied with the non –mandatory requirements to relating to remuneration committee and Whistle Blower policy.
- (f) Managing Director of the Company has furnished the requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement.

**VIII. MEANS OF COMMUNICATION**

The quarterly, half yearly and yearly financial results will be sent to the stock



Exchanges immediately after the Board approves the same and these results will also be published in one English newspaper and at one vernacular newspaper. These financial statements, press releases are also posted on the company's website, at [www.fgisindia.com](http://www.fgisindia.com)

**IX. GENERAL SHAREHOLDERS INFORMATION**

**a) 15<sup>th</sup> Annual General Meeting:**

Date and Time	Saturday the 28th day of September, 2013 at 11.00 a.m.
Venue	1 <sup>st</sup> Floor, Society Complex, MLA'S Colony, Road No.12 Banjara Hills,Hyderabad-500034

**b) Book Closure Date :** 24.09.2013 to 28.09.2013 (Both days inclusive)

**c) Financial Year and Calendar (Tentative) 2013-14 :**

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared in the first month following each quarter as follows:

**Financial Calendar**

Financial Reporting for 2013-2014 (tentative)	On or before
The First Quarter results	Declared on 13.08.2013
The Second quarter results	14.11.2013
The Third quarter results	14.02.2014
The Fourth quarter results	30.05.2014

- d) Listing on Stock Exchanges :** 1) BSE Limited  
2) Ahmedabad Stock Exchange
- e) Listing Fees :** Listing fee for the year 2013-14 has been paid
- f) Stock Code :** For equity shares: - BSE: 532403
- g) ISIN No. :** For equity shares: - INE739B01021
- h) Stock Price Data :** The monthly high / low prices of shares of the Company from April, 2012 to March, 2013 at BSE Limited.

Month	High (Rs.)	Low (Rs.)
April, 2012	0.61	0.37
May, 2012	0.51	0.38
June, 2012	0.37	0.28
July, 2012	0.47	0.29
August, 2012	0.43	0.37
September, 2012	0.39	0.33
October, 2012	0.32	0.22
November, 2012	0.27	0.22
December, 2012	0.32	0.20
January, 2013	0.22	0.16
February, 2013	0.21	0.15
March, 2013	—	—

**i) Registrar & Share Transfer Agents (for shares held in both physical and demat mode):**

Bigshare Services Pvt Ltd,  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai – 400072

**j) Share Transfer System:**

The Physical shares transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All the requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

k) **Shareholding Pattern as on 31<sup>st</sup> March, 2013:**

Parti- culars	Category	No. of shares held	Percentage of shareholding
<b>A</b>	Shareholding of Promoter and promoter group		
<b>1.</b>	Promoters & Persons		
	acting in concert	<b>1,296,038</b>	36.51
	<b>Sub- Total A</b>	<b>1,296,038</b>	<b>36.51</b>
<b>B</b>	Public Shareholding		
<b>1.</b>	Institutions	<b>Nil</b>	Nil
<b>2.</b>	Non- Institutions		
<b>a)</b>	Bodies Corporate	<b>60,629</b>	1.71
<b>b)</b>	Indian public and others	<b>2,189,021</b>	61.66
<b>c)</b>	Any others		
	i) NRI's	<b>4,312</b>	0.12
	ii) Clearing Members	—	—
	Sub Total B	<b>2,253,962</b>	<b>63.49</b>
	<b>Grand Total (A+B)</b>	<b>3,550,000</b>	<b>100.00</b>

l) **Distribution of shareholding of the Company by number of shares held as on 31st March, 2013 is as follows:**

Particulars	Shareholders		Shareholding	
	Number	%	Number	%
UPTO - 5000	6653	94.73	5424590	15.28
5001-10000	209	2.98	1533910	4.32
10001-20000	80	1.14	1188750	3.35
20001-30000	22	0.31	546280	1.54
30001-40000	13	0.19	438170	1.23
40001-50000	1	0.01	48380	0.14
50001-100000	11	0.16	795090	2.24
100001 & ABOVE	34	0.48	25524830	71.90
<b>Total</b>	<b>7023</b>	<b>100</b>	<b>3550000</b>	<b>100</b>

m) **Dematerialization of Shares:**

The Company's shares are dematerialized on National Securities Depositories limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is - INE739B01039. As on 31<sup>st</sup> March, 2013, **25,66,813**

## Fourth Generation Information Systems Ltd.

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equity shares are dematerialized which is 72.30% of the paid up capital of the company and out of which 13,19,923 shares are in NDSL and 12,46,890 shares are in CDSL and the balance are in physical form.

**n) Address for Investors Correspondence:**

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the registered office of the company.

Bigshare Services Pvt Ltd,  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai – 400072

**o) CEO/MD Certification:**

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO is attached elsewhere in the annual report.

**p) Compliance Certificate of the Auditors:**

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

For and on behalf of the Board of  
**Fourth Generation Information Systems Limited**

Place: Hyderabad  
Date: 13.08.2013

Sd/-  
**C. N. Somasekhara Reddy**  
Managing Director

**MANAGEMENT DISCUSSIONS AND ANALYSIS**

**1. Overview**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

**2. Industry Structure and Developments:**

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their core business objectives, such as revenue growth, profitability and asset efficiency.

Technology has evolved from merely driving cost efficiency. It is now also driving tangible business value. The ability to define, design, develop, implement and maintain advanced technology platforms and business solutions to address business needs has become a competitive advantage and a priority for corporations world wide.

As a result there is an increasing need for highly-skilled professionals in the market to help corporations transform their business, optimize operations and drive innovation by leveraging technology. At the same time, enterprises are reluctant to expand their internal IT department and increase costs. These factors have led to the increased reliance of corporations on their outsourcing providers and are expected to continue to drive future growth for outsourced technology services.

**3. Opportunities and Threats**

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

**4. Segment wise or Product wise Performance:**Not applicable

**5. Outlook**

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

**6. Risks and Concerns**

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

**7. Internal Control Systems**

The Company maintains a system of well established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness.

The internal control system is supported by qualified personnel and a continuous

program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements. We believe that the company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control self assessment procedures and ensure compliance to policies, plans and statutory requirements.

The internal control system of the company is also reviewed by the Audit Committee periodically. The Management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit committee.

**8. Discussion on financial performance with respect to operational performance**

In view of the fall in extent of operations and the delay in materialization of the new business lines, the revenue of the company has seen a further dip. Also, the management has decided to adopt even more prudential accounting norms as a matter of conservative accounting. This measure, which will definitely help the company in the future, has led to certain write offs.

**9. Human resource development and industrial relations**

During the year under review the company has taken several HR initiatives to train and develop talent pool. The company has also taken up a root cause analysis on bringing down the attrition rates. In order to improve the performance of management and to scale up the business operations, the company has recruited experienced personnel at senior level apart from strengthening other departments with competent people.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Dear Shareholder,

Please find below the Managing Director certificate as per Clause 49(V) of the Listing Agreement:

**MANAGING DIRECTOR CERTIFICATE**

I, C. N. Somasekhar Reddy, Managing Director of M/s Fourth Generation Information Systems Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
  - (a) Significant changes in internal controls over financial reporting during the year;
  - (b) Significant changes in the accounting policies during the year;
  - (c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

For and on behalf of the Board of  
**Fourth Generation Information Systems Limited**

Place: Hyderabad  
Date: 13.08.2013

Sd/-  
**C. N. Somasekhara Reddy**  
Managing Director

## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**To**

The Members of  
Fourth Generation Information Systems Limited

We have examined the Compliance with conditions of Corporate Governance of M/s. Fourth Generation Information Systems Limited for the year ended 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the Listing Agreement with stock Exchanges.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management's, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing agreement.

As required by the guidance note issued by the institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**M Madhusudhana Reddy**  
Partner  
Membership No.213077

Place: Hyderabad  
Date : 29.05.2013



**COMPLIANCE CERTIFICATE**

CIN No. : L72200AP1998PLC029999  
Authorised Capital : Rs. 12,95,00,000  
Paid up Capital : Rs. 3,55,00,000

To  
The Members of  
FOURTH GENERATION INFORMATION SYSTEMS LIMITED  
1ST Floor Society Complex, MLA's Colony,  
Road No. 12, Banjara Hills  
Hyderabad - 500034

I have examined the registers, records, books and papers of M/s FOURTH GENERATION INFORMATION SYSTEMS LIMITED as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited Company, comments is not required.
4. The Board of Directors duly met 6 times respectively on 10.05.2012, 14.08.2012, 14.11.2012, 27.12.2012, 14.02.2013 and 06.03.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 26.09.2012 to 29.09.2012.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29.09.2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year. However, During the year, a Court convened EGM was held on 07.08.2012 to approve the scheme of arrangement pursuant to Section 391-394 read with Section 100 of Companies Act, 1956.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.

## Fourth Generation Information Systems Ltd.

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9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of the section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
  - (i). has delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - (ii). was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii). was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv). was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to investor Education and Protection Fund .
  - (v). duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of directors, additional directors and alternate directors during the financial year.
15. The Company has not appointed any managing director / whole time director / manager during the year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has obtained all necessary approvals from Hon'ble High Court of Andhra Pradesh, Regional Director, Registrar of Companies and/ or such authorities prescribed under various provisions of the Act during the financial year for reduction of the capital of the company, conversion of loan into equity and issue of shares on preferential basis.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued 23,02,660 shares during the financial year. However, no debentures or other securities were issued during the financial year.
20. The Company has not bought back any shares, debentures and any securities during the financial year.

## Fourth Generation Information Systems Ltd.

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21. The Company has so far not issued any redeemable preference shares/debentures.
22. During the year under review, the Company has not declared any dividend, rights shares and bonus shares and hence the question of keeping in abeyance right to dividend, rights shares and bonus shares pending registration of transfer of shares does not arise.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March 2013.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to consolidation of share capital of the Company during the year under scrutiny.
30. The Company has altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to constitute Provident Fund pursuant to section 418 of the Act.

**Place: Hyderabad**  
**Date : 13.08.2013**

**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**C.P. No: 7478**

**ANNEXURE 'A'**

Registers as maintained by the Company:

**ANNEXURE 'A'**

**Registers as maintained by the Company:**

<b>SI No</b>	<b>Statutory Registers :</b>	
1	Register of Members	u/s 150 of the Act
2	Register of Directors	u/s 303 of the Act
3	Register of Directors' Shareholding	u/s 307 of the Act
4	Minutes of the General Meetings	u/s 193 of the Act
5	Minutes of the Board Meetings	u/s 193 of the Act
6	Register of Charges	u/s 143 of the Act
7	Register of Contracts	u/s 301 of the Act
8	Register of Fixed Assets	
9	Register of Contracts, Companies And Firms in which Directors, etc. are Interested	u/s 301(3) of the Act
10	Investments Register	u/s 49(7) and 372(5) of the Act

**Other Registers:**

1. Attendance Register of General Meetings.
2. Attendance Register of Board Meetings.

**Place: Hyderabad**  
**Date : 13.08.2013**

**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**C.P. No: 7478**

**ANNEXURE 'B'**

**Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2013.**

Sl. No	Form No/ Return	Filed under Section	Purpose	Date of Registration	Whether filed with in prescribed Period YES/NO	If delay in filing whether requisite additional Fee paid YES/NO
1.	Form 23AC-XBRL	220	Filing of Balance Sheet etc.	12.01.2013	YES	NO
2.	Form 23ACA-XBRL	220	Filing of Profit & Loss Account.	12.01.2013	YES	NO
3.	Form 20B	159	Filing of Annual Return.	27.10.2012	YES	NO
4.	Form 5	94A(2)	Consolidation of share capital	14.02.2013	YES	NO
5.	Form 2	75(1)	Allotment of shares	06.03.2013	YES	NO
6.	Form 21	394(1)	Filing of certified copies of Hon'ble High court order dated 27.12.2012	28.01.2013	YES	NO
7.	Form 23	192	Special resolution for alteration of articles	05.10.2012	YES	NO

**Place: Hyderabad**

**Date : 13.08.2013**

**S. Sarveswar Reddy**

**Practicing Company Secretary**

**C.P. No: 7478**

## Auditors' Report

To  
The Members of  
Fourth Generation Information Systems Ltd.,  
Hyderabad.

We have audited the attached Balance Sheet of M/s Fourth Generation Information Systems Limited, Hyderabad as at 31<sup>st</sup> March 2013, the Profit & Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor Report) Order 2003, issued by the Company Law Board in terms of section 227(4A) of the Companies Act 1956, we give in annexure a statement on the matters specified in the paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we state that:
  - a) We have obtained all the information and explanations which to the best our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of accounts as required by the law have been kept by the company so far as appears from our examination of these accounts.
  - c) The company's Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by the report are in agreement with the books of accounts.
  - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

- e) On the basis of written representations received and taken on record by Board of Directors, none of the directors is disqualified under clause (g) of sub - section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with other notes to accounts and accounting policies give the information required by the Companies Act 1956, in the manner so required and give a true and fair view subject to point numbers 2 and 5 mentioned in the notes to accounts:-
- i) In the case of Balance Sheet of the state of the affairs of the Company as at 31st March 2013 and
  - ii) In the case of Profit & Loss Account of the Loss of the Company for the year ended on that date.
  - iii) In the Cash Flow statement of the Cash Flow for the year ended on that date.

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**M Madhusudhana Reddy**  
Partner  
Membership No.213077

Place: Hyderabad  
Date : May 29<sup>th</sup> 2013

## ANNEXURE TO THE AUDITOR'S REPORT

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) According to the information and explanations given to us, fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
2. As per books of accounts, there is no inventory existing in the company and hence sub clauses 2(a), 2(b) and 2(c) of this Order are not applicable.
3. According to the information and explanation given to us, the Company has not granted/taken any loans, secured or unsecured to/from Companies/firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Sub clauses 3(b), 3(c) and 3(d) of this Order are not applicable.
4. In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of business for the purchase of inventory and fixed assets and for sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control.
5. As per information & explanations given and on the basis of records provided to us, there is no transaction that needs to be entered in the register maintained under Section 301 of the Companies Act. In view of this clause, clause 5(b) of this Order is not applicable for the current year.
6. According to information and explanations given to us, the company has not accepted any deposits from the public for the period under consideration.
7. The Company has an adequate internal audit system commensurate with its size and nature of its business.
8. The Company is not required to maintain cost records u/s 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us and the records of the company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us and the records of the company examined by us, excise duty and cess are not applicable to the company for the current year.  
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales-tax, wealth tax, service tax, customs duty which have not been deposited on account of any dispute.
10. The company has accumulated losses Rs.1,81,55,982/- at the end of the financial year and Rs. 3,77,085 /- incurred cash losses during the year.



11. In our opinion and on verification of records, the company has not defaulted in repayment of loan to bank. No loan has been taken from Financial Institutions and company has not issued any debenture.
12. In our opinion and according to information and explanations given to us and as per verification of records, the company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to explanations given to us, the clause relating to chit or nidhi or mutual benefit fund or society is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Hence no records are required to be maintained.
15. As per information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. The company has not taken any term loan during the year.
17. In our opinion and according to the explanations given to us and as per verification of records produced before us the company during the period under consideration has not raised any fund on short-term basis.
18. The company has made preferential allotment of shares to parties covered under section 301 of the Companies Act, 1956.
19. The company during the year has not issued any debentures.
20. The company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud has been noticed or reported during the period under consideration.

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**M Madhusudhana Reddy**  
Partner  
Membership No.213077

Place: Hyderabad  
Date : May 29<sup>th</sup> 2013

**Balance Sheet As at 31st March, 2013**

(All amounts in Indian Rupees except for share data or otherwise stated)

PARTICULARS	Note No's	AS AT Mar'31, 2013	AS AT Mar' 31,2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	35,500,000	124,734,000
Reserves and Surplus	2	(17,555,982)	(129,207,766)
Preference Share Warrant		-	-
	<b>A</b>	<b>17,944,018</b>	<b>(4,473,766)</b>
<b>Non - current liabilities</b>			
Long - term borrowings	3	26,000	11,050,000
Deferred tax liabilities (Net)	4	454,636	454,636
Long term provisions		-	-
	<b>B</b>	<b>480,636</b>	<b>11,504,636</b>
<b>Current liabilities</b>			
Short - term borrowings	-	-	
Trade Payables	5	6,879,469	8,233,032
Short - term provisions	6	525,001	525,001
	<b>C</b>	<b>7,404,470</b>	<b>8,758,033</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>25,829,124</b>	<b>15,788,903</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Gross Block	7	4,915,154	66,050,524
Less : Accumulated depreciation / amortization		2,874,259	64,927,983
<b>Net block</b>		<b>2,040,895</b>	<b>1,122,541</b>
Capital work- in- progress		-	-
	<b>A</b>	<b>2,040,895</b>	<b>1,122,541</b>
Deferred tax assets (Net)			
Long - term loans and advances	8	12,337,100	5,712,100
Non-current investments	-	-	
Other Non- Current Assets	-	-	
	<b>B</b>	<b>12,337,100</b>	<b>5,712,100</b>
<b>Current assets</b>			
Inventories			
Trade receivables	9	5,621,976	4,515,735
Cash and cash equivalents	10	1,896,682	506,056
Short - term loans and advances	11	3,932,471	3,932,471
Other current assets	-	-	
	<b>C</b>	<b>11,451,129</b>	<b>8,954,262</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>25,829,124</b>	<b>15,788,903</b>

The notes referred to above form an integral part of the Balance Sheet.

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date :29-05-2013

For and on behalf of the Board of Directors  
**Fourth Generation Information Systems Ltd.**

Sd/-  
**C. N. Somasekhara Reddy**  
Managing Director

Sd/-  
**T. Srivenkata Ramana**  
Director

**Profit & Loss Account for the year ended 31st March, 2013**

(All amounts in Indian Rupees except for share data or otherwise stated)

<b>PARTICULARS</b>	<b>Note No's</b>	<b>Year Ended Mar'31, 2013</b>	<b>Year Ended Mar' 31,2012</b>
<b>INCOME</b>			
<b>Turnover (Gross)</b>			
Revenue from operations		<b>6,627,500</b>	7,671,576
<b>Total Revenue</b>		<b>6,627,500</b>	7,671,576
<b>EXPENDITURE</b>			
Operating Expenses	12	<b>1,761,905</b>	6,151,065
Personal Cost	13	<b>3,685,853</b>	3,227,149
Administration expenses	14	<b>1,556,827</b>	2,623,746
Depreciation/amortization	7	<b>231,731</b>	229,419
<b>Total</b>		<b>7,236,316</b>	12,231,379
<b>Profit / (Loss) before tax</b>		<b>(608,816)</b>	(4,559,803)
<b>Profit before tax</b>			
Provision for taxation			
- Current Year Tax		—	—
- Deferred tax		—	—
<b>Total tax expense</b>		—	—
Profit/(Loss) from continuing operations		<b>(608,816)</b>	(4,559,803)
Balance brought forward from previous year		<b>(17,547,166)</b>	(125,247,963)
<b>Balance carried to Balance Sheet</b>		<b>(18,155,982)</b>	(129,807,766)
<b>Earnings per share</b>			
Basic		<b>(0.17)</b>	(0.07)
Weighted Number of Shares		<b>3,550,000</b>	62,367,000
Nominal value		<b>10</b>	2
<b>Notes to accounts</b>	15		

The notes referred to above form an integral part of the Profit and Loss Account.

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date : 29-05-2013

For and on behalf of the Board of Directors  
**Fourth Generation Information Systems Ltd.**

Sd/-  
**C. N. Somasekhara Reddy**  
Managing Director

Sd/-  
**T. Srivenkata Ramana**  
Director

**Cash Flow Statement for the year ended 31st March, 2013**

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2013	As at Mar' 31, 2012
<b>A. Cash flow from operating activities</b>		
<b>Net profit / (Loss) before tax</b>	<b>(608,816)</b>	(4,559,803)
<b>Adjustments for:</b>		
Preliminary Expences Written Off		
Depreciation	<b>231,731</b>	229,419
Diminution in value of invetsments	—	—
Advances written off	—	—
<b>Operating profit before working capital changes</b>	<b>(377,085)</b>	(4,330,384)
<b>Movements in working capital :</b>		
(Increase)/Decrease in Trade Receivables	<b>(1,106,241)</b>	(1,188,460)
(Increase)/Decrease in inventories	—	—
(Increase)/Decrease in Long term loans and advances	<b>(6,625,000)</b>	(2,700,000)
(Increase)/Decrease in in Short term loans and advances	—	(1,560,000)
Increase/ (Decrease) in Trade Paybles	<b>(1,353,563)</b>	1,588,042
<b>Cash generated from /(used in) operations</b>	<b>(9,461,889)</b>	(8,190,802)
Taxes paid	—	—
<b>Net cash used in /(generated from ) operating activities</b>	<b>(9,461,889)</b>	(8,190,802)
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	<b>(1,150,085)</b>	—
Sale of fixed assets	—	—
Fixed deposits	—	—
Dividends received	—	—
<b>Net cash used in investing activities</b>	<b>(1,150,085)</b>	—
<b>C. Cash flows from financing activities</b>		
Realisation of calls in arrears	<b>23,026,601</b>	—
Other Long term Borrowings	<b>(11,024,000)</b>	8,250,000
Other Short term Unsecured Loans (Net)	—	—
Interest received	—	—
Interest paid	—	—
<b>Net cash generated from /(used in) financing activities</b>	<b>12,002,601</b>	8,250,000
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,390,627</b>	59,198
Cash and cash equivalents at the beginning of the year	<b>506,055</b>	446,857
<b>Cash and cash equivalents at the end of the year</b>	<b>1,896,682</b>	506,055

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date :29-05-2013

For and on behalf of the Board of Directors  
**Fourth Generation Information Systems Ltd.**

Sd/-  
**C. N. Somasekhara Reddy**  
Managing Director

Sd/-  
**T. Srivenkata Ramana**  
Director

## Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2013	As at Mar' 31,2012
<b>Note : 1 Share Capital</b>		
<b>Authorised:</b>		
12950000 Equity Shares of Rs.10/- each	<b>129,500,000</b>	129,500,000
<b>Issues, Subscribed and Paid up</b>		
3550000 equity shares of Rs.10 each	<b>35,500,000</b>	124,734,000
	<b>35,500,000</b>	124,734,000
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>		
Equity Shares outstanding at the beginning of the year	<b>62,367,000</b>	62,367,000
Add: Additional shares issued during the year	<b>2,302,660</b>	—
Less : Shares reduction during the year	<b>61,119,660</b>	—
Equity Shares outstanding at the closing of the year	<b>3,550,000</b>	62,367,000
<b>Terms/rights attached to equity shares</b>		
The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held		
<b>Names of shareholders holding more than 5 % shares</b>	<b>No of Shares</b>	<b>No of Shares</b>
<b>Equity Shares</b>		
No Shareholder holds more than 5% Shares of the company	<b>NIL</b>	<b>NIL</b>
<b>Note 2 : Reserves and Surplus</b>		
<b>General Reserve</b>		
Balance as per last account	<b>600,000</b>	600,000
<b>Capital Reserve</b>		
Forfeiture of shares on Capital Reduction	—	—
<b>Profit &amp; Loss A/c Surplus</b>		
Balance in the statement of profit & loss	<b>(129,807,766)</b>	(125,247,963)
Less Loss Adjusted on Account of Capital reduction	<b>112,260,600</b>	—
Additions during the year	<b>(608,816)</b>	(4,559,803)
	<b>(17,555,982)</b>	(129,207,766)
<b>Note 3 : Long - term borrowings</b>		
<b>Loans and advances from banks</b>		
<b>Term loans</b>		
From banks	—	—
<b>Unsecured Loans from Others</b>	<b>26,000</b>	11,050,000
	<b>26,000</b>	11,050,000

**Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2013	As at Mar' 31,2012
<b>Note 4 : Deferred tax liabilities (Net)</b>		
Opening Balance	454,636	454,636
Add/Less: Current year Provision	—	—
	<u>454,636</u>	<u>454,636</u>
<b>Note 5 : Trade Payables</b>		
Sundry Creditors	6,555,367	7,929,881
Expenses payable	324,102	303,151
	<u>6,879,469</u>	<u>8,233,032</u>
<b>Note 6 : Short - term provisions</b>		
Provision for Income tax	220,250	220,250
Others Provisions	304,751	304,751
	<u>525,001</u>	<u>525,001</u>
<b>Note 8 : Long - term loans and advances</b>		
Unsecured Loans & Advances to Others	-	
DC Global	1,925,000	
IQ Technologies	1,500,000	
Avalanches Infra	700,000	
Akhil Avenues	1,500,000	
G.V. Reddy & Co.,	500,000	
North Projects	500,000	
Security deposits	5,712,100	5,712,100
Others	—	—
	<u>12,337,100</u>	<u>5,712,100</u>
<b>Note 9 : Trade receivables</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Debts outstanding for a period exceeding six months		
Considered good	2,785,125	2,641,914
Considered doubtful		
Other debts		
Considered good	2,836,851	1,873,821
	<u>5,621,976</u>	<u>4,515,735</u>
Less: Provision for doubtful debts	—	—
	<u>5,621,976</u>	<u>4,515,735</u>

**Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2013	As at Mar' 31,2012
<b>Note 10 : Cash and cash equivalents</b>		
Cash on hand	1,605,437	59,969
Balances with scheduled banks		
On current accounts	291,245	446,087
On deposit accounts	—	—
	<u>1,896,682</u>	<u>506,056</u>
<b>Note 11 : Short - term loans and advances</b>		
Other receivables	3,932,471	3,882,471
Advance tax	—	50,000
	<u>3,932,471</u>	<u>3,932,471</u>
<b>Note 12 : Operating Expenses</b>		
Software Development Expenses	1,761,905	6,151,065
	<u>1,761,905</u>	<u>6,151,065</u>
<b>Note 13 : Personal Cost</b>		
Salaries and incentives	2,453,151	31,50,000
Directors Remuneration	1,200,000	—
Staff welfare expenses	32,702	77,149
	<u>3,685,853</u>	<u>3,227,149</u>
<b>Note 14 : Administration expenses</b>		
Power Charges	44,389	68,126
Office Rent	168,000	240,000
Audit Fee	30,000	22,500
Legal & Professional Fee	72,143	161,944
Miscellaneous Expenses	98,642	113,724
Bank Charges	1,742	4,346
Office Maintenance	118,546	163,826
Postage & Courier	24,896	91,523
Printing & Stationery	59,136	73,628
Repairs & Maintenance	39,586	72,634
Communication Charges	21,741	52,472
Traveling & Conveyance	234,263	178,788
Listing Fees	184,885	1,380,235
Computers Rents & Maintenance	75,000	
Directors Sitting Fee	120,000	
Certification & Accounting Charges	45,000	
Business Promotion	162,458	
Forex Loss	1,720	
Advertisement	54,680	
	<u>1,556,827</u>	<u>2,623,746</u>

## Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

### Note : 7. FIXED ASSETS (Amount in Rupees)

Particulars	Gross Block			Depreciation/Amortization			Net Block	
	As at April 1, 2012	Additions	As at March 31, 2013	As at April 1, 2012	For the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Building	—	1,150,085	1,150,085	—	2,311	2,311	11,47,774	—
Furniture & Fixtures	3,201,184	—	3,201,184	2,338,282	202,635	2,540,917	660,267	862,902
Office equipment	563,885	—	563,885	304,247	26,785	331,031	232,854	259,638
Total	3,765,069	1,150,085	4,915,154	2,642,528	231,731	2,874,259	2,040,895	1,122,541



**Note : 15**

**Notes forming part of the Accounts:**

**Significant Accounting Policies and Notes on Accounts:**

I. Significant Accounting Policies

1. Basis of Accounting:

- a) The financial statements have been prepared on the basis of going concern under historical cost convention in accordance with generally accepted principles and provisions of the Companies Act, 1956 with revenue recognized and expenses accounted on accrual basis unless otherwise stated.
- b) Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- c) All Income and Expenditure items, having material bearing on the financial statements are recognized on accrual basis.

2. Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalized. Advances paid to capital creditors continuously shown under capital work in progress. The position of the advances given and their acknowledgements is yet to be confirmed.

3. Depreciation:

Depreciation on fixed assets has been provided on straight-line method.

4. Foreign Currency Transactions:

There are no transactions involving foreign exchange took place during the year under consideration.

5. Retirement Benefits:

- a) No provision has been made for retirement benefits, as they are not applicable to the company

6. Related Party Transactions:

- a) Associate enterprises and amounts due from them: Nil
- b) Key Management Personnel and relatives: Nil
- c) Transactions with associate companies/firms/individuals: Nil

7. In accordance with the provisions of Accounting Standard 17, the company has only one reportable primary segment consisting of information technology services. Hence segment reporting not applicable.

8. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax

is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

9. **Earnings per share**

In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per is the weighted average shares used in outstanding during the period.

**II. Notes on Accounts:**

1. Contingent Liabilities: Nil

2. Figures have been rounded off to the nearest rupee.

3. Previous year figures have been regrouped, reclassified and recast wherever necessary to conform to current year's classification.

4. **Managerial Remuneration:** Managerial Remuneration paid to the Managing Director and Whole time Directors: Nil

No computation of Profit under Sec. 350 of the Companies Act, 1956 has been given as no Commission is paid to directors.

5. **Auditors Remuneration:**

	2012-13	2011-12
For Statutory Audit	Rs. 30,000	Rs.22,500
For Tax Audits	Rs. Nil	Rs. Nil
For Other Services	Rs. Nil	Rs. Nil

6. **Foreign Exchange Earnings and outgo:**

	2012-13	2011-12
Export sales	Rs. Nil	Rs. Nil
Profit due to foreign exchange Variation	Rs. Nil	Rs. Nil
Investment in joint venture	Rs. Nil	Rs. Nil

7. The Company has not received any information from any of the suppliers of their being Small Scale Industrial Unit. Hence, the amounts due to Small Scale Industrial Units outstanding as on 31<sup>st</sup> March 2013 are not ascertainable.

8. **Quantitative Details:**

The Company is engaged in the business of development of Computer Software. The production and sale of such software is not capable of being expressed in any generic unit. Hence, it is not possible to give the quantitative details of such sale and the information required under paragraphs 3, 4C and 4D of the Part II of Schedule VI of the Companies Act, 1956.

9. Some of the Sundry Debtors, Loans and Advances, Deposits, Other Receivables and Sundry Creditors are subject to confirmation, reconciliations and adjustments if any.
10. Unclaimed dividend pertaining to the year 2000-01 to the extent of Rs. 15,765 has not been transferred to Central Govt. account for unclaimed dividends.
12. Earnings per share
- |  | 2012-13    | 2011-12     |
|--|------------|-------------|
| Net profit after tax                     | (6,08,816) | (45,59,803) |
| Weighted average number of equity shares | 35,50,000  | 6,23,67,000 |
| Nominal value of shares                  | 10.00      | 2.00        |
| Earnings per share (basic/diluted)       | (0.17)     | (0.07)      |
13. Notes 1 to 15 form part of Balance Sheet and have been authenticated.

As per our report of even date  
 For **M M REDDY & CO.,**  
 Chartered Accountants  
 Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
 Partner  
 Membership No.213077  
 Place: Hyderabad  
 Date :29-05-2013

For and on behalf of the Board of Directors  
**Fourth Generation Information Systems Ltd.**

Sd/-  
**C. N. Somasekhara Reddy**  
 Managing Director  
 Sd/-  
**T. Srivenkata Ramana**  
 Director

## Fourth Generation Information Systems Limited

1st Floor, Society Complex, MLA's Colony, Road No. 12,  
Banjara Hills, Hyderabad - 500 034. Andhra Pradesh.

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a member/members of the above named  
company, hereby appoint Mr/Mrs/Ms \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ or failing him/her  
\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to  
attend and vote for me /us on my/ our behalf at the 15<sup>th</sup> Annual General Meeting  
of the Company to be held at 1st Floor, Society Complex, MLA's Colony, Road  
No. 12, Banjara Hills, Hyderabad - 500 034 on Saturday the 28th day of  
September, 2013 at 11.00 A.M. and at any adjournment thereof.

As witnessed Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Signed by the said \_\_\_\_\_

Folio No. / Client ID \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

Affix Re. 1/- Revenue Stamp
--------------------------------------

**Note:** The proxy in order to be effective should be duly stamped, complete, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

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## Fourth Generation Information Systems Limited

1st Floor, Society Complex, MLA's Colony, Road No. 12,  
Banjara Hills, Hyderabad - 500 034. Andhra Pradesh.

### ATTENDANCE SLIP

(Please present this slip at the meeting venue)

I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company to be held at 1st Floor, Society Complex, MLA's Colony, Road No. 12, Banjara Hills, Hyderabad - 500 034 on Saturday the 28th day of September, 2013 at 11.00 A.M. and at any adjournment thereof.

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_  
(In Block Letters)

Folio No. / Client ID \_\_\_\_\_ No. of Shares held \_\_\_\_\_

**Note:** Shareholder's attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

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**Fourth Generation Information Systems Ltd**

1st Floor, Society Complex, MLA's Colony,  
Road No. 12, Banjara Hills, Hyderabad - 34, A.P.

Telefax : 040-23373949