

**FOURTH GENERATION  
INFORMATION SYSTEMS LIMITED**

**20th  
ANNUAL REPORT  
2017-2018**

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## Fourth Generation Information Systems Limited

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### CORPORATE INFORMATION:

#### BOARD OF DIRECTORS:

Mr. C. N. Somasekhar Reddy	-- Managing Director	(DIN: 02441810)
Mr. T. Srivenkata Ramana	-- Executive Director & CFO	(DIN: 03195303)
Mr. K. Sudheer	-- Independent Director	(DIN: 01695664)
Mr. K. Santosh Reddy	-- Independent Director	(DIN: 02958418)
Mr. N. Mallikarjuna Reddy	-- Independent Director	(DIN: 03094077)
Mr. Suneetha Indukuri	-- Independent Director	(DIN: 03573183)

#### REGISTERED OFFICE:

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

#### CORPORATE IDENTITY NUMBER:

L72200AP1998PLC029999

#### AUDITORS :

M/s. Chanamolu & Co.,  
Chartered Accountants,  
Rajbhavan Road,  
Somajiguda, Hyderabad.

#### SECRETARIAL AUDITOR:

M/s Sathwik & Associates,  
Practicing Company Secretaries,  
Flat no 302, Kaushik sai Rama Residency,  
Plot No 7-1-414/20-21, Srinivasa Nagar East,  
Sanjeeva Reddy Nagar, Hyderabad-500038.

#### BANKERS:

Indian Overseas Bank  
Main Branch, Abids,  
Hyderabad, Telangana

**AUDIT COMMITTEE:**

- 1) Mr. N. Mallikarjuna Reddy
- 2) Mr. T. SrivenkataRamana
- 3) Mr. K. Santosh Reddy

**NOMINATION & REMUNERATION COMMITTEE:**

- 1) Mr. N. Mallikarjuna Reddy
- 2) Mr. K Sudheer
- 3) Mr. K. Santosh Reddy

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

- 1) Mr. N. Mallikarjuna Reddy
- 2) Mr. T. SrivenkataRamana
- 3) Mr. K. Santosh Reddy

**REGISTRAR & SHARE TRANSFER AGENTS**

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

**LISTED AT:**

- 1) BSE Limited

**ISIN** : **INE739B01039**  
**WEBSITE** : **[www.fgisindia.com](http://www.fgisindia.com)**  
**INVESTOR E-MAIL ID** : **[info@fgisindia.com](mailto:info@fgisindia.com)**.

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### NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Shareholders of M/s. Fourth Generation Information Systems Limited will be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 9.00 A.M. the Regus - 1st Floor Mid Town Plaza, Road No 1, Banjara Hills, Hyderabad, Telangana - 500034, to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. T. Srivenkata Ramana (DIN: 03195303) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Chanamolu & Co., as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following ordinary Resolution thereof:

“**RESOLVED THAT** pursuant to the provisions of Section 139(2) and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 27<sup>th</sup> September, 2017, the appointment of M/s. Chanamolu & Co., as the Statutory Auditors of the Company to hold the office till the conclusion of 24<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2019 as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

#### **SPECIAL BUSINESS:**

4. **Re-Appointment of Mr. K. Sudheer as an Independent Non-Executive Director of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. K. Sudheer(DIN: 01695664), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of 5(five) consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.

**“RESOLVED FURTHER THAT** Mr. C. N. Somasekhara Reddy, Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

**5. Re-Appointment of Mr. K. Santosh Reddy as an Independent Non-Executive Director of the Company:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. K. Santosh Reddy (DIN: 02958418), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of 5(five) consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.

**“RESOLVED FURTHER THAT** Mr. C. N. Somasekhara Reddy , Managing Director of the Company be and is hereby authorised to do all

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acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

**6. Re-Appointment of Mr. N. Mallikarjuna Reddy as an Independent Non-Executive Director of the Company:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N. Mallikarjuna Reddy (DIN: 03094077), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of 5(five) consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation”.

“**RESOLVED FURTHER THAT** Mr. C. N. Somasekhara Reddy , Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

**7. Re-appointment of C. N. Somasekhara Reddy (DIN: 02441810) as Managing Director of the company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with provisions of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other approvals, permissions and sanctions, as may be required, consent of the Company be and is hereby accorded for the re-appointment of C. N. Somasekhara Reddy (DIN: 02441810) as Managing Director of the Company for a further period of five years with effect from 01.04.2018 to 31.03.2023, without remuneration and he shall

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have the right to manage the day-today business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company.

**“RESOLVED FURTHER THAT** Mr.C. N. Somasekhara Reddy shall have the right to exercise such powers of Management of the Company as may be delegated to him by the Board of Directors, from time to time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company and/or the Company Secretary of the Company be and are hereby authorized severally to take such steps as it may consider necessary, proper or expedient to give effect to the aforesaid resolution.”

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

**Sd/-**

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

**Place: Hyderabad  
Date: 14.08.2018**

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### NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Statement setting out material facts (Explanatory Statement) pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2018 to 29.09.2018 (Both days inclusive).
4. Brief resume of Directors proposed to be appointed/re-appointed along with such other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Secretarial Standards on General Meetings (SS-2), are provided as Annexure to this Notice.
5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
7. 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.



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8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents (M/s. Bigshare Services Private Limited)
10. 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.
11. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
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 Private Limited., Share Transfer Agents of the Company for their doing the needful.
13. Members are requested to send their queries at least 7 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission / transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act,

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2013, the Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company and at the Annual General Meeting.

17. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with specimen signatures authorizing their representative(s) to attend and vote at the AGM.
18. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-2018 is being sent in the permitted mode.
19. Route Map of venue of Annual General Meeting is annexed to the Notice.
20. Members may also note that the Notice of the 20<sup>th</sup> Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website <http://www.fgisindia.com> for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@fgisindia.com](mailto:info@fgisindia.com)
- 21. Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an

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electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on September 26, 2018 (09.00 am) to September 28, 2018 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.

A person who has acquired shares & become a member of the company after the dispatch of notice of AGM & holding shares as of cut-off date, may obtain the login ID & password by sending a request at [info@fgisindia.com](mailto:info@fgisindia.com). However, if the person is already registered with the CDSL for remote e-voting then the existing user ID & password can be used for casting vote.

### **The instructions for shareholders voting electronically are as under:**

- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on Shareholders.
- iii. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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vi. If you are a first time user follow the steps given below:

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

vii. After entering these details appropriately, click on “SUBMIT” tab.

viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and

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against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

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- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdisindia.com](mailto:helpdesk.evoting@cdisindia.com).
  22. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22.09.2018.
  23. Mr. S. Sarveswar Reddy, Practicing Company Secretary, bearing C.P. Number 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process.
  24. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  25. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.Fgisindia.com](http://www.Fgisindia.com) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
  26. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a ‘Green Initiative in Corporate Governance’ and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company’s Registrar and Share Transfer Agents.
  27. Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

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<b>Name of the Director</b>	Mr. N. Mallikarjuna Reddy	Mr. K. Santosh Reddy	Mr. K. Sudheer
<b>Date of Birth</b>	29.10.1967	04.05.1984	04.06.1971
<b>Qualification</b>	M.B.A	B.Tech	B.com
<b>Date of Appointment</b>	01.04.2019	01.04.2019	01.04.2019
<b>Expertise in specific functional areas</b>	Finance & Marketing	Technical & Software Development	Marketing
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	Nil	Nil	Nil
<b>Inter se relationship with any Director</b>	None	None	None

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

**Sd/-**

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

**Place: Hyderabad  
Date: 14.08.2018**

**Explanatory Statement  
(Pursuant to section 102 of the Companies Act, 2013)**

**Item No. 4:**

Mr. K. Sudheer was appointed as an Independent Non-Executive Director of the Company by the members at the 16<sup>th</sup>AGM of the Company held on 30th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, considers that, given their background and experience and contribution made by him during his tenure, the continued association of Mr. K. Sudheer, would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company.

In the opinion of the Board, Mr. K. Sudheer fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company. Copy of the draft letter for appointment of Mr. K. Sudheer as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K. Sudheer as an Independent Director



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Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. K. Sudheer as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company

Except Mr. K. Sudheer, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. K. Sudheer is not related to any Director of the Company.

### **Item No. 5:**

Mr. K. Santosh Reddy was appointed as an Independent Non-Executive Director of the Company by the members at the 16th AGM of the Company held on 30th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, considers that, given their background and experience and contribution made by him during his tenure, the continued association of Mr. K. Santosh Reddy, would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company.

In the opinion of the Board, Mr. K. Santosh Reddy fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his

## Fourth Generation Information Systems Limited

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re-appointment as an Independent Non-Executive Director of the Company. Copy of the draft letter for appointment of Mr. K. Santosh Reddy as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K. Santosh Reddy as an Independent Director

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. K. Santosh Reddy as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company

Except Mr. K. Santosh Reddy, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. K. Santosh Reddy is not related to any Director of the Company.

### **Item No. 6:**

Mr. N. Mallikarjuna Reddy was appointed as an Independent Non-Executive Director of the Company by the members at the 16th AGM of the Company held on 30th September, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, considers that, given their background and experience and contribution made by him during his tenure, the continued association of Mr. N. Mallikarjuna Reddy, would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company

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## Fourth Generation Information Systems Limited

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The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company.

In the opinion of the Board, Mr. N. Mallikarjuna Reddy fulfills the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company. Copy of the draft letter for appointment of Mr. N. Mallikarjuna Reddy as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. N. Mallikarjuna Reddy as an Independent Director

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. N. Mallikarjuna Reddy as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company

Except Mr. N. Mallikarjuna Reddy, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. N. Mallikarjuna Reddy is not related to any Director of the Company.

### **ITEM NO.7:**

The Board of Directors of the Company in its meeting held on August 14, 2018 extended the term of appointment of Mr.C. N. Somasekhara Reddy as Managing Director of the Company without remuneration for a period of 5 years from 01.4.2018 to 31.03.2023 as recommended by the Nomination and Remuneration Committee.

The Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 7

None of the Directors of the Company except Mr. C.N. Somasekhara Reddy to the extent of his appointment as director is concerned or interested in this resolution.

## Fourth Generation Information Systems Limited

### Information in accordance with Schedule V of Companies Act, 2013

#### I. GENERAL INFORMATION:

1	Nature of Industry : Software & development			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1998			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	Particulars	2017-18	2016-17	2015-16
	Turnover	4,50,099	0	710000
	Net profit/loss after Tax	(2,39,404)	(4,89,536)	(20,19,618)
5	Foreign investments or collaborations, if any: Not Applicable			

#### II. INFORMATION ABOUT THE APPOINTEE:

1	Background Details: Mr.C. N. Somasekhara Reddy, aged about 55 years and he has an B.Teh (Software). Mr. C. N. Somasekhara Reddy success, understanding and exposure to international transportation, logistics and distribution businesses enabled him to have the maximum contacts and reach among the global transportation industry.
2	Past Remuneration: NIL
3	Recognition or awards : Not Applicable
4	Mr.C. N. Somasekhara Reddy, a visionary leader and a true global entrepreneur, has enabled the Company to transform into a global information technology solutions provider. Under his leadership, the Company has achieved enviable growth and was one of largest Enterprise Solutions Company, developing innovative software products and provider of IT consultancy services for the logistics and supply chain management market place. Besides the above few testimonials of his successful creation of global solutions Company,

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## Fourth Generation Information Systems Limited

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5	Remuneration proposed: As set out in the explanatory statement for the item No.3 without remuneration to Mr.C. N. Somasekhara Reddy, Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors.
6	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Taking into consideration of the size of the Company, the profile of Mr.C. N. Somasekhara Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:  Besides the remuneration proposed, he is not having any other Pecuniary relationship directly or indirectly with the Company.

### III. OTHER INFORMATION:

1	Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.
2	Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.
3	Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.

**BOARD's REPORT****To the Members,**

The Directors have pleasure in presenting before you the 20<sup>th</sup> Directors Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2018. The Company's performance is summarized below:

**1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:**

The performance during the period ended 31st March, 2018 has been as under:

(Amount In Rs.)

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
Turnover/Income (Gross)	4,50,099	-
<b>Profit before Finance charges, Depreciation and Taxation</b>	<b>(1,28,450)</b>	<b>(3,46,708)</b>
Less: Finance charges (excluding amount capitalized)	--	--
<b>Profit before Depreciation and Taxation</b>	<b>(1,28,450)</b>	<b>(3,46,708)</b>
Less : Depreciation	1,10,954	1,42,855
<b>Profit for the year after Depreciation</b>	<b>(2,39,404)</b>	<b>(4,89,563)</b>
Less : Provision for taxation	--	--
Less : Deferred tax	--	--
<b>Profit after Tax</b>	<b>(2,39,404)</b>	<b>(4,89,563)</b>

**2. REVIEW OF OPERATIONS:**

During the year under review, the Company has recorded an income of Rs. 4,50,099/- and loss of Rs. 2,39,404 as against the income of Rs. nil and loss of Rs.4,89,563/- in the previous financial year ending 31.03.2017.

**3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

**4. DEPOSITS FROM PUBLIC:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**5. TRANSFER TO RESERVES:**

During the year under review, no amount has been transferred to General Reserve.

**6. DIVIDEND:**

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

**7. REVISION OF FINANCIAL STATEMENTS:**

There was no revision of the financial statements for the year under review.

**8. DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS, COURTS, TRIBUNALS, IMPACTING THE GOING CONCERN BASIS OF THE COMPANY:**

There were no significant material orders passed by regulators, courts, tribunals, impacting the going concern basis of the Company.

**9. NUMBER OF MEETINGS OF THE BOARD:**

Four (4) meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. T. Srivenkata Ramana(DIN: 03195303), Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment to the Board. Pursuant to the provisions of the Companies Act, 2013 ("the Act") and Clause 49 of the erstwhile Listing Agreement, Mr. K. Sudheer, Mr. K. Santosh Reddy and Mr. N. Mallikarjuna Reddy were appointed as Independent Non-Executive Directors to hold office

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## Fourth Generation Information Systems Limited

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for five consecutive years for a term up to 31st March, 2019 by the Members of the Company in the 16th Annual General Meeting held on 30th September, 2014. They are eligible for reappointment as Independent Directors for another term of five consecutive years.

Pursuant to the provisions of the Act, based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through Special Resolution at the ensuing Annual General Meeting reappointment of Mr. K. Sudheer, Mr. K. Santosh Reddy and Mr. N. Mallikarjuna Reddy as Independent Directors for another five consecutive years from 1st April, 2019 upto 31st March, 2024.

Profile and other information of the aforesaid Directors, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 forms part of the notice convening the ensuing Annual General Meeting.

The above proposal for re-appointment forms part of the Notice of the 20th Annual General Meeting and the relevant Resolutions are recommended for your approval therein.

### **11. CORPORATE GOVERNANCE:**

Corporate Governance is not applicable to the company since the paid up capital and net worth of the company is less than Rs.10.00 crores and Rs.25.00 crores respectively. However, the company voluntarily provides a separate section in the Annual Report titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management discussion and analysis report for the year under review as stipulated under Regulation 4(3) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is presented in a separate section forming part of the annual report.

### **13. BOARD EVALUATION:**

Performance Evaluation of the Board, its Committees and Individual Directors Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework



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containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

The annual performance evaluation of the Board, its Committees and each Director has been carried out for the financial year 2017-18 in accordance with the framework. The details of evaluation process of the Board, its Committees and individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

### **14. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report. Annexure-I

### **15. AUTHORISED AND PAID UP CAPITAL OF THE COMPANY:**

The authorized capital of the company stands at 1,29,50,00,000/- divided into 1,29,50,000 equity shares of Rs.10/- each and The company's paid up capital at 3,55,00,00,000 divided into 35,50,000 equity shares of ` 10/- each.

### **16. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:**

The company does not have any subsidiaries/Associate companies.

### **17. DECLARATION OF INDEPENDENCE:**

All Independent Directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended.

### **18. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to

## Fourth Generation Information Systems Limited

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material departures;

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

### **19. INTERNAL AUDITORS:**

The company has not appointed internal auditor during the financial year 2017-18

### **20. STATUTORY AUDITORS:**

At the Annual General Meeting held on 27th September, 2017, (19th AGM) the Company has appointed M/s. Chanamolu & Co., as statutory auditors of the Company to hold office until the conclusion of 24th Annual General meeting of the Company. In terms of the first provision to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Chanamolu & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders at the Annual General Meeting. The Board of Directors recommended their re-appointment ratification for the financial year 2018-19. The Auditors' Report for the financial year 2017-18 is enclosed with the financial statements in this Annual Report.

### **21. SECRETARIAL AUDIT:**

The Board had appointed M/s. Sathwik & Associates, practicing Company Secretaries, Hyderabad, having C.P. No 16937 to conduct

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## Fourth Generation Information Systems Limited

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Secretarial Audit for the financial year 2017-18, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR – 3 for the financial year 2017-18 is enclosed herewith as Annexure-III to this Report.

### **22. SECRETARIAL STANDARDS:**

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

### **23. AUDIT REPORTS:**

#### **(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

#### **(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and noted is at the same that the company has not appointed company secretary and Internal Auditor during the year but the company is taking necessary measures to appoint the same at the earliest

### **24. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

The Statutory Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

### **25. INDIAN ACCOUNTING STANDARDS:**

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company will adopt Indian Accounting Standards with effect from 1st April, 2017. The implementation of Indian Accounting Standards

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## Fourth Generation Information Systems Limited

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(IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

### **26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

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

#### **A. Conservation of Energy:**

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

#### **B. Technology Absorption:**

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

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

Foreign Exchange Earnings: Rs. NIL

Foreign Exchange Outgo: Rs. NIL

### **27. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

### **28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

### **29. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable for the financial year 2017-18.

**30. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal control systems, which commensurate with its size, nature of business and complexity of its operations and are designed to provide a reasonable degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguard for assets, internal control over financial reporting, and compliance with applicable laws and regulations. Internal audit function evaluates the adequacy of and compliance with policies, plans, regulatory and statutory requirements.

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

**31. RISK MANAGEMENT POLICY:**

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

**32. EMPLOYEE RELATIONS:**

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

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

**33. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, no remuneration has been paid to any of the Directors of the Company for the financial year 2017-18.

**34. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence

## Fourth Generation Information Systems Limited

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Industry based disclosures is not required.

### **35. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

### **36. VIGIL MECHANISM:**

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

### **37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any.

The Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **38. APPRECIATION & ACKNOWLEDGEMENT:**

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

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

Sd/-

**T. Srivenkata Ramana**  
Executive Director & CFO  
(DIN: 03195303)

Sd/-

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

**Place: Hyderabad**  
**Date: 14.08.2018**

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**Fourth Generation Information Systems Limited**

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

As provided under clause 17 (5) (a) of the SEBI (LODR) Regulation 2015 all Board Members and the Senior Management personnel have confirmed compliance with the Business Ethics and Code of Conduct for the year ended on March 31, 2018.

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

**Place: Hyderabad  
Date: 14.08.2018**

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

## CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Fourth Generation Information Systems Limited as follows:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### 2. BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, [www.fgisindia.com](http://www.fgisindia.com).

### 3. Performance Evaluation of Board, Committees and Directors

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on various parameters laid down in the Company's Policy on evaluation of



## Fourth Generation Information Systems Limited

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Directors as well as their own expertise and assessment of company's corporate governance framework, prepared and distributed evaluation sheets to the Board, committees (by committee members and by non-committee members) and individual directors. Based on the same, the Board carried out annual performance evaluation of itself, Committees and Independent Directors for the year 2018. Nomination and Remuneration Committee evaluated individual directors' performance during the year and at a separate meeting, Independent Directors evaluated performance of Executive Directors, Board as a whole and Chairman. The performance was evaluated by the Directors on various parameters on laid down criteria as like:

- (i) **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- (iii) **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- (iv) **Chairman:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- (v) **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

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## Fourth Generation Information Systems Limited

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Categories	Rating (out of 5)
Board as a whole	4.60
Individual Directors	
Mr.C.N. Somasekhara Reddy	4.95
Mr.T. Srivenkata Ramana	4.96
Mr.K. Santosh Reddy	4.94
Mr. K.Sudheer	4.85
Mr. Mallikarjuna Reddy	4.90
Mrs. Suneetha Indukuri	4.98
Audit Committee	5.00
Stakeholder Relationship Committee	4.93
Nomination & Remuneration Committee	4.92

Evaluation of the Board and its Committees is based on various aspects of their functioning, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc., are in place. Similarly, for evaluation of individual Director's performance, various parameters like Director's profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc., are considered.

Further, the performance of Chairman, Executive Directors and Independent Directors are evaluated on certain additional parameters depending upon their roles and responsibilities. For the Chairman the criteria includes leadership, relationship with stakeholders etc., for the Executive Directors the criteria includes execution of business plans, risk Management, achievement of business targets, development of plans and policies aligned to the vision and mission of the Company, etc. Similarly, criteria for evaluation of Independent Directors include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts towards his/her role, high ethical standards, adherence to applicable codes and policies, effective participation and application of objective independent judgement during meetings, etc.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2017-18 by way of oral

evaluation through personal interaction.

The Independent Directors had met separately on February, 10, 2018 without the presence of Non-Independent Directors and the Members of Management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it determines whether to extend or continue their term of appointment, whenever their respective term expires. The Directors expressed their satisfaction with the evaluation process.

#### **4. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

All new independent directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, functions, duties and responsibilities.

#### **5. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website [www.fgisindia.com](http://www.fgisindia.com)

#### **6. BOARD OF DIRECTORS:**

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of the

company.

As trustees, the Board has a fiduciary responsibility towards all the shareholders and ensures that the company has clear goals aligned to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils all stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, also periodically reviews its role.

### **7. COMPOSITION OF THE BOARD:**

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2018, the Company's Board comprised of six Directors, One promoter managing Director and One Executive Director Cum CFO. In addition, there are four independent Directors on the Board including women director. In terms of clause 17(1) (b) of SEBI (LODR) Regulations, 2015, the company is required to have one half of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

### **8. NUMBER OF BOARD MEETINGS:**

The Board of Directors met four (4) times during the financial year, on May 30, August 11, and November 13 in 2017 and February 10 in 2018. The maximum time gap between any two meetings was less than four months. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

### **9. ATTENDANCE AND DIRECTORSHIPS HELD:**

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, and then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their

## Fourth Generation Information Systems Limited

attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in **Table 1**.

Table-1								
Name of Director	Relationship with other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorships of Public Companies	No. of Committee Memberships	No. of Committee Chairmanships
Mr. C. N. Somasekhar Reddy	None	P & E D	4	4	Yes	1	-	-
Mr. T. Srivenkata Ramana	None	E D	4	4	Yes	-	-	-
Mr. K. Sudheer	None	ID& NED	4	4	Yes	-	-	-
Mr. K. Santosh Reddy	None	ID& NED	4	4	Yes	-	-	-
Mr. N. Mallikarjuna Reddy	None	ID& NED	4	4	Yes	-	-	-
Mr. Suneetha Indukuri	None	ID& NED	4	4	Yes	-	-	-

### 10. INFORMATION SUPPLIED TO THE BOARD:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of

## Fourth Generation Information Systems Limited

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Chief Financial Officer and Company Secretary, whenever required.

- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Quarterly disclosure of all the investments made.
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any.
- Quarterly review of compliance status under various laws applicable to the Company.
- Substantial non-payment of goods sold by the Company except disputes.
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business.
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **11. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarise with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Details of the same are available on [www.fgisindia.com](http://www.fgisindia.com).

### 12. COMMITTEES OF THE BOARD:

The Company has Three Board-level Committees - Audit Committee, Stakeholder Relationship Committee and Nomination & Remuneration Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

### 13. AUDIT COMMITTEE:

**A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:** - 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:
  - a. Any changes in accounting policies and practices;
  - b. Qualification in draft audit report;
  - c. Significant adjustments arising out of audit;
  - d. The going concern concept;
  - e. Compliance with accounting standards;
  - f. Compliance with stock exchange and legal requirements concerning financial statements and
  - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.

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- 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.

### **B. COMPOSITION, MEETINGS & ATTENDANCE:**

There were four (4) Audit Committee Meetings held during the year on 30.05.2017, 11.08.2017, 11.11.2017 and 10.02.2018.

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. N. Mallikarjuna Reddy	Chairman	NED(I)	4	4
Mr. T. SrivenkataRamana	Member	NED(I)	4	4
Mr. K. Santosh Reddy	Member	NED(I)	4	4

### **14. NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of three non-executive independent Directors

#### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- To approve the fixation/revision of remuneration of Executive Directors



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of the Company and while approving:

- a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
  - To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
  - To carry out evaluation of every Director's performance.
  - To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
  - To formulate the criteria for evaluation of Independent Directors and the Board.
  - To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

### **B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:**

There were Two (2) Nomination and Remuneration Committee Meetings held during the year on 11.11.2017 and 10.02.2018.

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. N. Mallikarjuna Reddy	Chairman	NED(I)	2	2
Mr. T. SrivenkataRamana	Member	NED(I)	2	2
Mr. K. Santosh Reddy	Member	NED(I)	2	2

NED (I) : Non Executive Independent Director

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### 15. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

- i. The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- ii. The broad terms of reference of the stakeholders' relationship committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
  - The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:

There were four (4) Stakeholders' relationship Committee Meetings held during the year on 30.05.2017, 11.08.2017, 13.11.2017 and 10.02.2018.

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. N. Mallikarjuna Reddy	Chairman	NED(I)	4	4
Mr. T. SrivenkataRamana	Member	NED(I)	4	4
Mr. K. Santosh Reddy	Member	NED(I)	4	4

NED (I) : Non Executive Independent Director

ED: Executive Director

### 16. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

#### Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience

that are relevant for the Company's operations.

**2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:**

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

**2.1 The proposed appointee shall also fulfil the following requirements:**

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

**3. Criteria of independence**

3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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3.3 The independent Director shall abide by the “code for independent Directors” as specified in Schedule IV to the companies Act, 2013.

### **4. Other directorships/ committee memberships**

4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder’s relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

### **17. NAME AND DESIGNATION OF COMPLIANCE OFFICER:**

Mr. C. N. Somasekhara Reddy, Managing Director of the company, is the compliance officer of the Company.

**18. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2017-18:**

<b>NUMBER OF COMPLAINTS</b>	<b>NUMBER</b>
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on	--
Number of complaints resolved	--
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2018	--
Complaints pending as on March 31, 2018	--
Number of Share transfers pending for approval, as on March 31, 2018	--

**19. REMUNERATION OF DIRECTORS:**

**A. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:** The Non-Executive Directors have no pecuniary relationship or transactions.

**B. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:**

Policy:

1. Remuneration to Executive Director and key managerial personnel
  - 1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
  - 1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
  - 1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
    - (i) Basic pay
    - (ii) Perquisites and Allowances
    - (iii) Stock Options

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(iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

(vi) Annual performance Bonus

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### 2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

### C. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2017-18 AND OTHER DISCLOSURES

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. C. N. Somasekhar Reddy	–	–	4,50,038	–	–	–	–
Mr.T. Srivenkata Ramana	–	–	–	–	–	–	–
Mr. K. Sudheer	–	–	–	–	–	–	–
Mr. K. Santosh Reddy	–	–	–	–	–	–	–
Mr. N. Mallikarjuna Reddy	–	–	–	–	–	–	–
Mr. Suneetha Indukuri	–	–	–	–	–	–	–

## **20. INDEPENDENT DIRECTORS' MEETING:**

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 10.02.2018, to discuss:

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

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

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

## **21. 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 should and individual performance.

### **POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:**

#### **1. Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

#### **2. Terms and References:**

##### **2.1 "Director" means a director appointed to the Board of a Company.**

##### **2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations**

and Disclosure Requirements) Regulations 2015.

- 2.3 “Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 “Director” means a director appointed to the Board of the company.

2.2 “key managerial personnel” means

- (i) The Chief Executive Office or the managing director or the manager;
- (ii) The company secretary;
- (iii) The whole-time director;
- (iv) The chief finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

- 2.3 “Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## 22. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder and regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the company had a meeting on 10/02/2018 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:



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- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 2 non-independent directors namely:

- i.) Mr. C.N.Somasekhar Reddy –Managing Director
- ii.) Mr.T.Srivenkata Ramana - Executive Director cum CFO

The meeting recognized the significant contribution made by Mr. C.N.Somasekhar Reddy in directing the Company towards the success path and placing the Company globally in Software Development.

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

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### 23. DETAILS ON GENERAL BODY MEETINGS:

#### A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2016-17	27.09.2018	9.00 A.M	the Regus rd Conference hall, 3 floor, Belvedere Complex, Somajiguda, Raj Bhavan Road Hyderabad - 500082, Telangana	No Special /Ordinary resolution were passed
2015-16	30.09.2016	9.00 AM	1st Floor, Society Complex, MLA'S Colony, Road No.12, Banjara Hills, Hyderabad - 500034, Telangana	No Special /Ordinary resolution were passed
2014-15	30.09.2015	11:00 AM	1st Floor, Society Complex, MLA'S Colony, Road No.12, Banjara Hills, Hyderabad - 500034, Telangana	<ol style="list-style-type: none"> <li>1. Appointment of Mrs. Suneetha indukari as an independent director</li> <li>2. Change in the name of the company:</li> <li>3. Amendment of Articles of Association of the company:</li> </ol>

**24. PASSING OF RESOLUTIONS BY POSTAL BALLOT:**

There were no resolutions passed by the Company through Postal Ballot during the financial year 2017-18.

**25. MEANS OF COMMUNICATION**

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchanges, as soon as the same are taken on record/approved. These financial results are published in the Financial Express in English and Telugu language newspapers Andhra Prabha, respectively. These results are not distributed/ sent individually to the shareholders.

In terms of the requirements of SEBI (Listing Obligations & Disclosures Requirements), the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate Filing and Dissemination System viz., on [www.listing.bseindia.com](http://www.listing.bseindia.com). The un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on [www.bseindia.com](http://www.bseindia.com).

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts' Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at [www.fgisindia.com](http://www.fgisindia.com)

**26. GENERAL SHAREHOLDER INFORMATION:**

**A. ANNUAL GENERAL MEETING:**

The twentieth Annual General Meeting of the Company will be held as per the following schedule:

Day	Wednesday
Date	29th September, 2018
Time	9.00 a.m
Venue	at Regus - 1st Floor Mid Town Plaza, Road No 1, Banjara Hills, Telangana, Hyderabad.

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### B. VENUE: FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2018-19 (TENTATIVE SCHEDULE)

The financial calendar (tentative) shall be as under:

Financial Year	2017-18
First Quarterly Results	14.08.2018
Second Quarterly Results	14.11.2018
Third Quarterly Results	14.02.2018
Fourth Quarterly Results	29.05.2019
Annual General Meeting for year ending 31st March,2018	On or before 30.09.2019

### C. DIVIDEND PAYMENT DATE: No Dividend was declared during the Financial Year 2017-18.

### D. NAME AND ADDRESS OF EACH STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:

**EXCHANGE:** BSE LIMITED, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

### E. STOCK CODE: 4THGEN (BSE Limited)

### F. STOCK MARKET PRICE DATA:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares Traded
Apr 17	2.98	2.98	2.17	2.17	3,728
May 17	2.17	2.17	1.67	1.83	2,821
Jun 17	1.85	2.14	1.80	2.14	530
Jul 17	2.14	2.14	2.14	2.14	86
Aug 17	2.04	2.04	1.94	1.94	1,320
Sep 17	1.85	1.85	1.85	1.85	200
Oct 17	1.85	1.85	1.85	1.85	400
Nov 17	1.76	1.84	1.60	1.60	1,595
Dec 17	1.68	1.77	1.68	1.70	2,044
Jan 18	1.62	1.96	1.62	1.96	6,523
Feb 18	--	--	--	--	--
Mar 18	--	--	--	--	--

**G. REGISTRAR AND SHARE TRANSFER AGENTS:**

M/s.Bigshare Services Pvt Limited  
Address: 306, Right Wing, 3rd Floor,  
Amrutha Ville, Opp. Yashoda Hospital  
Somajiguda, Rajbhavan Road,  
Hyderabad 500082, Telangana  
URL:www.bigshareonline.com  
E- mail: info@bigshareonline.com

**H. SHARE TRANSFER SYSTEM:**

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

**I. DEMATERIALISATION & LIQUIDITY OF SHARES:**

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE463B01036. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares held in demat and Physical mode as on March 31, 2018 is as follows:

<b>Particulars</b>	<b>No. of Shares</b>	<b>% Share Capital</b>
NSDL	13,65,050	38.45
CDSL	12,52,383	35.28
PHYSICAL	9,32,567	26.27
Total	35,50,000	100.00

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with respective depository participants.

**J. ADDRESS FOR CORRESPONDANCE:**

Mr.C.N.Somasekhara Reddy

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

## Fourth Generation Information Systems Limited

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### K. BOOK CLOSURE DATE:

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be from Sunday, 23rd September, 2018 to Saturday, 29th September, 2018 (both days inclusive).

### L. ELECTRONIC CONNECTIVITY: The Company has demat connectivity with both NSDL and CDSL. The ISIN is INE739B01039.

### M. NATIONAL SECURITIES DEPOSITORY LIMITED

Trade World, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013.

### N. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Regd. Office: Marathon Futurex,  
A-Wing, 25th floor, NM Joshi Marg,  
Lower Parel, Mumbai 400013

### O. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018:

S. No	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group	-	-
1.	Indian	-	-
	Individual	12,84,038	36.17
2.	Foreign	--	--
	Individual	--	--
	Sub-Total A	<b>12,84,038</b>	<b>36.17</b>
B	Public Shareholding	-	-
1.	Institutions	--	--
2.	Non Institutions	-	
	a. Bodies Corporate	57,549	1.62
	b. Indian Public and others	22,01,158	62.00
	c. Clearing Members	1,943	0.05
	d. NRI	5,312	0.16
	Sub Total B	<b>22,65,962</b>	<b>63.83</b>
	Grand Total (A+B)	35,50,000	100.00

**27. OTHER DISCLOSURES:**

**A. COMPLIANCES:** There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

**B. WHISTLE BLOWER POLICY:**

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

**C. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

During the year under review, the Company had not entered in to any materially significant transaction with any related party .Remuneration paid (if any) to directors is well within the limits of Section 197 read with Schedule V of Companies Act, 2013. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

**D. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

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

<b>Place: Hyderabad</b> <b>Date: 14.08.2018</b>	<b>Sd/-</b> <b>T. Srivenkata Ramana</b> <b>Executive Director &amp; CFO</b> <b>(DIN: 03195303)</b>	<b>Sd/-</b> <b>C. N. Somasekhara Reddy</b> <b>Managing Director</b> <b>(DIN: 02441810)</b>
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## Fourth Generation Information Systems Limited

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### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of  
**Fourth Generation Information Systems Limited**

We have examined the compliance of conditions of corporate governance by Fourth Generation Information Systems Limited ('the Company') for the year ended 31 March, 2018, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 Listing regulations.

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.

For Chanamolu & Co.,  
Chartered Accountants  
Firm Reg No.010000S

Sd/-  
G. Murali  
Partner (M.No.234971)

Place: Hyderabad  
Date: 14.08.2018



## MANAGEMENT DISCUSSIONS AND ANALYSIS

### 1. Industry Structure and Developments:

The earlier trend of smaller companies being marginalized has continued in the year under review. Another distinct trend during the year has been the preference of foreign companies to outsource their entire IT needs to the larger companies and get them to setup large offshore operations to support these contracts.

### 2. Opportunities and Threats

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

### 3. Segment wise or Product wise Performance

Not applicable

### 4. Outlook

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

### 5. Risks and Concerns

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

### 6. Internal Control Systems

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

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

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

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

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

**FORM MR-3  
SECRETARIAL AUDIT REPORT**

(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel)  
Rules, 2014

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

To  
The Members of  
Fourth Generation Information systems Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Fourth Generation Information systems Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Fourth Generation Information systems Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2018, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under ;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

## Fourth Generation Information Systems Limited

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- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2017-18.
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. [www.fgisindia.com](http://www.fgisindia.com).**
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the company has not issued any shares during the year under review.**
- iv. 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 during the year under review ;**
- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.**
- vii. 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.**

## Fourth Generation Information Systems Limited

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- viii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **Not Applicable as the Company has not issued any ESOPS during the year under review.**
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
- The company has framed various policies and displayed the same on the company's website i.e., [www.fgisindia.com](http://www.fgisindia.com)
  - Board Diversity Policy
  - Policy on Preservation of Documents
  - Risk Management Policy
  - Whistle Blower Policy
  - Related Party Transaction Policy
  - Familiarization programme for Independent Directors.
  - Nomination and Remuneration Policy
3. During the year the Company has conducted 4 Board Meetings, 4 Audit Committee Meetings, 4 Stakeholder Committee Meetings, 2 Nomination & Remuneration Committee and 1 Independent Director's Meeting, and We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company secretaries of India on meeting of the Board of Directors and General Meetings and
  - ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
4. We further report that the Compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
5. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 Rules, Regulations, Guidelines, Standards, etc., mentioned above.

### **OBSERVATIONS:**

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

### **(b) We further report that:**

- The Company has a Chief Financial officer namely Mr. T.Srivenkata Ramana. However, the Company has not appointed Company secretary and internal auditor for the financial Year 2017-18.

6. I have relied on the Management Representation made by the Managing Director for systems and mechanism formed by the Company to ensure the compliances under other applicable acts, laws, regulations which are listed below :-

- a) Information Technologies Act 2000
- b) Software Technology Park of India Rules and Regulations
- c) Labour laws and Incidental laws related to Labour and Employees appointed by the Company either on its payroll or on contractual basis as related to Wages ,Gratuity, Provident Fund, ESIC, Compensation etc.,
- d) Acts prescribed under Direct and Indirect taxes
- e) Clearance from Various Local Authorities.

### **(c) We further report that:-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

## **Fourth Generation Information Systems Limited**

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

- Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- We further report that during the year under report, the Company has not undertaken Event / action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Sathwik & Associates**

**Sd/-**

**Doddapaneni Sathwik  
Practicing Company Secretary  
C. P. No: 16937**

**Place: Hyderabad  
Date: 14.08.2018**

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## Fourth Generation Information Systems Limited

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### Annexure A

To

The Members of

M/s. **Fourth Generation Information Systems Limited**

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company .
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Sathwik & Associates**

**Sd/-**

**Doddapaneni Sathwik  
Practicing Company Secretary  
C. P. No: 16937**

**Place: Hyderabad  
Date: 14.08.2018**



## Fourth Generation Information Systems Limited

### ANNEXURE- I

#### MGT 9

#### Extract of Annual Return

**Ason the Financial Year 31.03.2018**

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

<b>I. REGISTRATION AND OTHER DETAILS:</b>			
i.	CIN	L72200AP1998PLC029999	
ii.	Registration Date	21/08/1998	
iii.	Name of the Company	Fourth generation information systems limited.	
iv.	Category / Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company	
v.	Address of the Registered office and contact details	1st Floor, Society Complex, MLA'S Colony, Road No.12, Banjara Hills, Hyderabad-500034 Tel: 040 – 23373949	
vi.	Whether listed company Yes / No	Yes	
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt Limited 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital Somajiguda, Rajbhavan Road, Hyderabad 500082, Telangana URL : <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> E- mail: <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>	
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Computer system development services other than programming services including embedded systems development services.	99831411	85.00
2.	Other IT design and development services for applications n.e.c.	99831419	15.00

## Fourth Generation Information Systems Limited

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: -									
S.No.	Name and Address of the Company	CIN/GLN			Holding/Subsidiary /Associate	% of shares held	Applicable Section		
	Nil	Nil			Nil	Nil	Nil		
IV. 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				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	1296038	0	1296038	36.51	1284038	0	1284038	36.47	(0.34)
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt. (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.									
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1) :-</b>	<b>1296038</b>	<b>0</b>	<b>1296038</b>	<b>36.51</b>	<b>1284038</b>	<b>0</b>	<b>1284038</b>	<b>36.47</b>	<b>(0.34)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1296038</b>	<b>0</b>	<b>1296038</b>	<b>36.51</b>	<b>1284038</b>	<b>0</b>	<b>1284038</b>	<b>36.47</b>	<b>(0.34)</b>
<b>B. Public Shareholding</b>									

## Fourth Generation Information Systems Limited

<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI									
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>2. Non Institutions</b>									
a) Bodies Corp.	57549	0	57549	1.62	57549	0	57549	1.62	0
i) Indian									
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	897606	19907	917513	25.85	897606	19907	917513	25.85	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	351785	912660	1264445	35.62	363785	912660	1276445	35.90	0.34
c) Others (specify) 1. NRI	5312	0	5312	0.15	5312	0	5312	0.15	0
2. Clearing Members	9143	0	9143	0.26	9143	0	9143	0.26	0

## Fourth Generation Information Systems Limited

Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	1321395	932567	2253962	63.49	1321395	932567	2253962	63.49	0
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	2617433	932567	3550000	100	2617433	932567	3550000	100	0

### (ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		Demat	Total	% of Total Shares	Demat	Total	% of Total Shares	
1.	T SrivenkataRamana	2,11,001	2,11,001	5.94	2,11,001	2,11,001	5.94	Nil
2.	Sunitha	4,77,999	4,77,999	13.46	4,77,999	4,77,999	13.46	Nil
3.	ChennammaRachuma	22,000	22,000	0.62	22,000	22,000	0.62	Nil
4.	C N Somasekhar Reddy	4,50,038	4,50,038	12.68	4,50,038	4,50,038	12.68	Nil
5.	R Anup Kumar Reddy	10,000	10,000	0.28	10,000	10,000	0.28	Nil
6.	T VjayaKathyayani	1,13,000	1,13,000	3.18	1,13,000	1,13,000	3.18	Nil

## Fourth Generation Information Systems Limited

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change): There is no change in promoter shareholding in the financial year.**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	N.A	N.A	N.A	N.A	N.A

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total shares of The company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Jhansi Sanivarapu	150000	4.22	150000	4.22
2.	M Raghava Reddy	100000	2.82	100000	2.82
3.	G Srinivasa Raju	100000	2.82	100000	2.82
4.	M.G.SrinivasPerabathula	100000	2.82	100000	2.82
5.	R SambasivaRao	75000	2.11	75000	2.11
6.	DanduBangarRaju	75000	2.11	75000	2.11
7.	VivekSurana	75000	2.11	75000	2.11
8.	P.S.V. Subramanyam	62500	1.76	62500	1.76
9.	LakhmiThuraga	50000	1.41	50000	1.41
10.	K.Venkata Ganga Rambabu	50000	1.41	50000	1.41

Date wise Increase /Decrease in top ten shareholders Share Holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer /bonus/ sweat equity etc):

## Fourth Generation Information Systems Limited

<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>					
<b>Sl. No.</b>	<b>For Each of the Directors and KMP</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
1	C. N. SomasekharaReddy	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4,50,038	12.68		
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	4,50,038	12.68	--	--
2	T. Srivenkata Ramana	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2,11,001	5.94		
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	2,11,001	5.94	--	--
	K. Sudheer	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	200	0.01		
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	200	0.01		
<b>V. INDEBTEDNESS</b>					
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>					
<b>Indebtedness at the beginning of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>	
Principal Amount	--	--	--	--	
ii) Interest due but not paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>	--	--	--	--	
	--	--	--	--	

## Fourth Generation Information Systems Limited

Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change	--	--	--	--
<b>Indebtedness at the end of the financial year</b>	--	--	--	--
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	--	--	--	--

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total amount	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	--		
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--		--
4.	Commission - as % of profit - Others, specify...	--	--		--
5.	Others, please specify	--			--
6.	Total (A)				
7.	Ceiling as per the Act				

#### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration					
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--		
	Total (1)					
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify					
	Total (2)					
	Total (B)=(1+2)					

## Fourth Generation Information Systems Limited

	Total Managerial Remuneration				
	Overall Ceiling as per the Act				
<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>					
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--	--
5.	Others, please Specify	--	--	--	--
6.	Total	--	--	--	--
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--



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## Fourth Generation Information Systems Limited

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### ANNEXURE III DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s Fourth Generation Information Systems Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - i. the statutory audit firm or the internal audit firm that is associated with the Company and
  - ii. the legal firm(s) and consulting firm(s) that have a material association with the company
- d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

K. Santosh Reddy  
(Independent director)

Date: 30.05.2018  
Place: Hyderabad

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## Fourth Generation Information Systems Limited

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### ANNEXURE III DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s Fourth Generation Information Systems Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - i. the statutory audit firm or the internal audit firm that is associated with the Company and
  - ii. the legal firm(s) and consulting firm(s) that have a material association with the company
- d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: 30.05.2018  
Place: Hyderabad

Sd/-  
K. Sudheer  
(Independent director)

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## Fourth Generation Information Systems Limited

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### ANNEXURE III DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s Fourth Generation Information Systems Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - i. the statutory audit firm or the internal audit firm that is associated with the Company and
  - ii. the legal firm(s) and consulting firm(s) that have a material association with the company
- d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

N. Mallikarjuna Reddy  
(Independent director)

Date: 30.05.2018  
Place: Hyderabad

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## Fourth Generation Information Systems Limited

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### Independent Auditors' Report

To  
The Members,  
FOURTH GENERATION INFORMATION SYSTEMS LIMITED

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of M/S. Fourth Generation Information Systems Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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## Fourth Generation Information Systems Limited

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### 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 section 143(11) of the Act, we give in the Annexure –A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

## Fourth Generation Information Systems Limited

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- (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, the statement of Cash flows and the changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chanamolu & Co.,  
Chartered Accountants  
Firm Regd No. 010000S

G. Murali  
Membership No. 234971

Place: Hyderabad  
Date: 30.05.2018

### Annexure – A to the Independent Auditors' Report:

The Annexure referred to the Independent auditors' report to the members of the company on the Ind AS financial statements for the year ended 31 March 2018, we report that

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given to us, the company does not have any immovable property hence paragraph 3 (i)(c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- ii. The inventory has been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification and have been properly dealt with in the books of account.
- 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, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of

## Fourth Generation Information Systems Limited

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customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

(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 or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2018 which have not been deposited on account of a dispute.

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has not paid or provided any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of equity share converted in to equal number equity shares of the company. The requirement of Section 42 and all the other applicable provisions of the Companies Act, 2013 and SEBI Regulations were complied with.



## Fourth Generation Information Systems Limited

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- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chanamolu & Co.,  
Chartered Accountants  
Firm Regd No. 010000S

G. Murali  
Membership No. 234971

Place: Hyderabad  
Date: 30.05.2018

### **Annexure - B to the Independent Auditors' Report:**

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

We have audited the internal financial controls over financial reporting of M/s Fourth Generation Information Systems Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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## Fourth Generation Information Systems Limited

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chanamolu & Co.,  
Chartered Accountants  
Firm Regd No. 010000S

G. Murali  
Membership No. 234971

Place: Hyderabad  
Date: 30.05.2018

# Fourth Generation Information Systems Limited

## BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
I	<b>ASSETS:</b>				
(1)	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	2	1,081,451	1,192,405	1,335,260
	(b) Capital work-in-progress		-	-	-
	(c) Goodwill		-	-	-
	(d) Other Intangible Assets		-	-	-
	(e) Intangible Assets under development		-	-	-
	(f) Financial assets				
	(i) Investments		-	-	-
	(ii) Other Financial Assets		-	-	-
	(g) Deferred tax assets (net)		-	-	-
	(h) Other non-current assets		-	-	-
(2)	<b>Current assets</b>				
	(a) Inventories		-	-	-
	(b) Financial assets				
	(i) Investments		-	-	-
	(ii) Trade receivables	3	3,409,744	3,409,744	3,439,744
	(iii) Cash and cash equivalents	4	14,076	73,084	15,341
	(iv) Bank Balances other than (iii) above		-	-	-
	(v) Loans and advances	5	6,603,621	6,593,621	6,593,621
	(vi) Investments held for Sale		-	-	-
	(c) Other current assets		-	-	-
	<b>TOTAL ASSETS</b>		<b>11,108,892</b>	<b>11,268,854</b>	<b>11,383,966</b>
II	<b>EQUITY AND LIABILITIES:</b>				
	<b>Equity</b>				
	(a) Equity Share Capital	6	35,500,000	35,500,000	35,500,000
	(b) Other Equity				
	(i) Reserves and Surplus	7	(34,644,758)	(34,405,354)	(33,915,791)
	<b>Liabilities</b>				
(1)	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		-	-	-
	(b) Provisions		-	-	-
(2)	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	8	412,000	412,000	100,000
	(ii) Trade Payables	9	8,782,571	8,782,571	8,720,120
	(iii) Other financial liabilities		-	-	-
	(b) Other current liabilities	10	99,442	-	-
	(c) Provisions	11	505,001	525,001	525,001
	(d) Deferred tax liabilities(Net)	12	454,636	454,636	454,636
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,108,892</b>	<b>11,268,854</b>	<b>11,383,966</b>
	<b>Significant accounting policies and notes to accounts</b>	1 to 22			

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

For Chanamolu & CO.,  
Firm Registration Number : 010000S  
Chartered Accountants

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

G MURALI  
Partner  
Membership No. 234971

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

Sd/-  
T. Srivenkata Ramana  
Executive Director & CFO  
DIN: 03195303

Place : Hyderabad  
Date : 30-05-2018

## Fourth Generation Information Systems Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

(Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from operations	13	450,099	-
II	Other Income		-	-
III	<b>Total Income (I+II)</b>		<b>450,099</b>	<b>-</b>
IV	<b>Expenses:</b>			
	Cost of raw material and components consumed			-
	Employee Benefits Expense	14	94,550	28,704
	Depreciation and amortization expense	2	110,954	142,855
	Other expenses	15	483,999	318,004
	<b>Total Expenses</b>		<b>689,503</b>	<b>489,563</b>
V	Profit before tax (III-IV)		(239,404)	(489,563)
VI	Tax Expense			
	- Current tax		-	-
	- Deferred tax		-	-
VII	Profit for the period (V-VI)		<b>(239,404)</b>	<b>(489,563)</b>
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)		-	-
IX	Total Comprehensive Income (VII+VIII)		<b>(239,404)</b>	<b>(489,563)</b>
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic		(0.07)	(0.14)
	- Diluted		(0.07)	(0.14)
	<b>Significant accounting policies and notes to accounts</b>	1 to 22		

For Chanamolou & CO.,  
Firm Registration Number : 0100005  
Chartered Accountants

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

G MURALI  
Partner  
Membership No. 234971

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

Sd/-  
T. Srivenkata Ramana  
Executive Director & CFO  
DIN: 03195303

Place : Hyderabad  
Date : 30-05-2018

## Fourth Generation Information Systems Limited

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Year ended 31-03-2018 Amount in Rs.	Year ended 31-03-2017 Amount in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	(239,404)	(489,563)
<b>Adjustment for:</b>		
Depreciation and Amortisation	110,954	142,855
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(128,450)	(346,708)
<b>Movements in Working Capital::</b>		
(Increase)/ Decrease in trade receivables	-	30,000
(Increase)/Decrease in Short Term Loans Advances	(10,000)	-
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Trade Payables	-	62,451
(Increase) / Decrease in Short Term Provision	(20,000)	-
Increase/(Decrease) in Other current liabilities	99,442	-
<b>Change in Working Capital</b>	<b>69,442</b>	<b>92,451</b>
<b>Changes in non current assets and liabilities</b>		
Decrease/(Increase) in loans & advances	-	-
Decrease/(Increase) in Long Term Provisions	-	-
<b>Changes in non current assets and liabilities</b>	<b>-</b>	<b>-</b>
<b>Cash Generated From Operations</b>	<b>(59,008)</b>	<b>(254,257)</b>
Less: Taxes paid	-	-
<b>Net Cash from operating activities(A)</b>	<b>(59,008)</b>	<b>(254,257)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Fixed assets and Capital Work In progress	-	-
Bank Balances not considered as Cash and Cash equivalents	-	-
Investment in equity Shares	-	-
<b>Net cash used in Investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Share Capital	-	-
Increase / (Decrease) in Borrowings	-	312,000
Interest paid	-	-
<b>Net cash Flow from Financing Activities ( C )</b>	<b>-</b>	<b>312,000</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>(59,008)</b>	<b>57,743</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	73,084	15,341
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>14,076</b>	<b>73,084</b>

For Chanamolu & CO.,  
Firm Registration Number : 010000S  
Chartered Accountants

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

G MURALI  
Partner  
Membership No. 234971

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

Sd/-  
T. Srivenkata Ramana  
Executive Director & CFO  
DIN: 03195303

Place : Hyderabad  
Date : 30-05-2018

## Fourth Generation Information Systems Limited

### Statement of Changes in Equity For the year ended 31 March 2018

#### a. Equity share capital

(Amount in Rs.)

	Amount
Balance as at the 1 April 2016	35,500,000
Changes in equity share capital during 2016-17	-
Balance as at the 31 March 2017	35,500,000
Changes in equity share capital during 2017-18	-
Balance as at the 31 March 2018	35,500,000

#### b. Other equity

(Amount in Rs.)

	Share Warrants	Reserves and surplus		Items of Other comprehensive income (OCI)	Total
		General Reserves	Retained earnings	Others	
Balance at 1 April 2016	-	600,000	(34,515,791)	-	(33,915,791)
<b>Total comprehensive income for the year ended 31 March 2017</b>					
Profit or loss			(489,563)	-	(489,563)
Other comprehensive income(net of tax)			-	-	-
<b>Total comprehensive income</b>		-	(489,563)	-	(489,563)
Transactions with owners in their capacity as owners directly in equity	-	-	-	-	-
Balance at 31 March 2017	-	600,000	(35,005,354)	-	(34,405,354)
<b>Total comprehensive income for the year ended 31 March 2018</b>					
Profit or loss		-	(239,404)	-	(239,404)
Other comprehensive income(net of tax)		-	-	-	-
<b>Total comprehensive income</b>		-	(239,404)	-	(239,404)
Transactions with owners in their capacity as owners			-	-	-
Balance at 31 March 2018	-	600,000	(35,244,758)	-	(34,644,758)

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

For Chanamolú & CO.,  
Firm Registration Number : 010000S  
Chartered Accountants

G MURALI  
Partner  
Membership No. 234971

Place : Hyderabad  
Date : 30-05-2018

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

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

Sd/-  
T. Srivenkata Ramana  
Executive Director & CFO  
DIN: 03195303



### Notes to accounts

#### 1. Significant Accounting Policies & Notes annexed to and forming part of the financial Statements

##### 1.1. Basis for preparation of financial statements:

- a) Compliance with Indian Accounting Standards (Ind As)  
The financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013. Up to the year ended March 31, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Company's first Ind As financial statements. The date of transition to Ind As is April 1, 2017.

##### b) First time adoption

In accordance with Ind As 101 on First- time adoption of Indian Accounting Standards, the Company has prepared its first Ind As financial statements which include:

- (i) Three Balance sheets namely, the opening Balance Sheet as at 1<sup>st</sup> April, 2016

(The transition date) by recognizing all assets and liabilities whose recognition is required by Ind As, not recognizing assets or liabilities which are not permitted by Ind As, by reclassifying assets and liabilities from previous GAAP as required by Ind As and applying Ind As in measurement of recognized assets and liabilities; and Balance Sheets as at March 31, 2018 and 2017; and

- (ii) Two Statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2018 and 2017 together with related notes.

The same accounting policies have been applied for all the periods presented except when the company has made use of certain exceptions.

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## Fourth Generation Information Systems Limited

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The financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. The Company has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded – off to the nearest rupees, unless otherwise indicated.

c) Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

1.2. Property, Plant and Equipment & Depreciation

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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## Fourth Generation Information Systems Limited

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The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### 1.3 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### **1.4 Intangible assets**

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

### **1.5 Inventory**

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower

### **1.6 Foreign currencies transactions and translations**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

### **1.7 Provisions**

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (other than employee benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **1.8 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable.

#### **Interest Income**

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

### **1.9 Dividend Income**

Dividends will be recognised when the company's right to receive has been established

### **1.10 Employee benefits**

#### **1.10.1 Short term employee benefits**

The undiscounted amount of short term employee benefits are expected to be paid in exchange for the services rendered by

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## Fourth Generation Information Systems Limited

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employees are recognised as an expense during the period when the employees render the services.

### 1.10.2 Defined benefit plans

#### a) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

#### b) Employee State Insurance Fund

Eligible employees (whose gross salary is less than Rs.15,000 per month) are entitled to receive benefit under employee state insurance fund scheme. The employer makes contribution to the scheme at a predetermined rate (presently 4.75%) of employee's gross salary. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. Monthly contributions are charges to income in the year it is incurred.

### 1.11 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is

intended to realise the asset and settle the liability on a net basis or simultaneously.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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 is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

## 1.12 Leases

Leases are classified as finance lease whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

## 1.13 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

## 1.14 Earnings per equity share

- (i) Basic earnings per share

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## Fourth Generation Information Systems Limited

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Basic earnings per share are calculated by dividing:

- The profit attributable to owner of the company.
  - By the weighted number of equity shares outstanding during the financial year
- (ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 1.15 Financial Instruments

#### i. Financial assets

##### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### a) **Financial assets carried at amortized cost (AC)**

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

##### b) **Financial assets at fair value through profit or loss (FVTPL)**

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

##### c) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash



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## Fourth Generation Information Systems Limited

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flows and selling financial assets and 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.

**B. Investments in subsidiaries**

The Company has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

**ii. Financial Liabilities**

**A. Initial recognition**

All financial liabilities are recognized at fair value.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### 1.16 First time adoption of Ind As

#### Transition to Ind As

The Company has adopted Ind As with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening reserves as at 1st April, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind As and Schedule III.

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

	(Amount in Rs.)			
	Buildings	Furniture and Fixtures	Office Equipment	Total
<b>Deemed cost (gross carrying amount)</b>				
Balance at 1 April 2016	1,150,085	3,201,184	563,885	4,915,154
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>1,150,085</b>	<b>3,201,184</b>	<b>563,885</b>	<b>4,915,154</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31 March 2018</b>	<b>1,150,085</b>	<b>3,201,184</b>	<b>563,885</b>	<b>4,915,154</b>
<b>Accumulated depreciation at 1 April 2016</b>				
Depreciation for the year	128,347	2,949,839	501,708	3,579,894
	49,759	65,073	28,023	142,855
<b>Balance at 31 March 2017</b>	<b>178,106</b>	<b>3,014,912</b>	<b>529,731</b>	<b>3,722,749</b>
Depreciation for the year	47,335	48,226	15,393	110,954
<b>Balance at 31 March 2018</b>	<b>225,441</b>	<b>3,063,138</b>	<b>545,124</b>	<b>3,833,703</b>
<b>Carrying amounts(net)</b>				
<b>At 1 April 2016</b>	<b>1,021,738</b>	<b>251,345</b>	<b>62,177</b>	<b>1,335,260</b>
<b>At 31 March 2017</b>	<b>971,979</b>	<b>186,272</b>	<b>34,154</b>	<b>1,192,405</b>
<b>At 31 March 2018</b>	<b>924,644</b>	<b>138,046</b>	<b>18,761</b>	<b>1,081,451</b>

## Fourth Generation Information Systems Limited

### Notes to accounts

#### NOTE NO: 3 Trade receivables

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	3,409,744	3,409,744	3,409,744
(b) Outstanding for a period not exceeding six months Unsecured, considered good	3,409,744	3,409,744	3,409,744

#### NOTE NO: 4 CASH AND CASH EQUIVALENTS:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Balance with banks	13,956	72,964	14,468
(b) Cheques in Hand	-	-	-
(c) Cash on Hand	120	120	873
	<b>14,076</b>	<b>73,084</b>	15,341

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

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Advances to Customers	4,425,000	4,425,000	4,425,000
Other receivables	2,107,621	2,097,621	2,097,621
TDS Receivable	71,000	71,000	71,000
	<b>6,603,621</b>	<b>6,593,621</b>	<b>6,593,621</b>

## Fourth Generation Information Systems Limited

### Notes to accounts

#### NOTE NO: 6: EQUITY SHARE CAPITAL:

	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b>						
Equity Shares of Rs. 10/- each	129,500,000	129,500,000	129,500,000	129,500,000	129,500,000	129,500,000
<b>Issued, Subscribed and Paid up</b>						
Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to ( d ) below)	3,550,000	3,550,000	3,550,000	3,550,000	3,550,000	3,550,000
<b>Total</b>	<b>3,550,000</b>	<b>3,550,000</b>	<b>3,550,000</b>	<b>3,550,000</b>	<b>3,550,000</b>	<b>3,550,000</b>

#### Foot note:

#### (a) Reconciliation of the number of shares outstanding as at March 31, 2018, March 31, 2017 and April 1, 2016:

	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	Number	Amount in Rs	Number	Rs. In lakhs	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	3,550,000	3,550,000	3,550,000	3,550,000	3,550,000	3,550,000
Equity Shares Issued during the year for Cash	-	-	-	-	-	-
Equity Shares Issued during the year for other than cash*	-	-	-	-	-	-
Equity Shares bought back during year	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	3,550,000	3,550,000	3,550,000	3,550,000	3,550,000	3,550,000

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

	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
I) Sunitha	477,999	13.46%	477,999	13.46%	477,999	13.46%
II) C N Somasekhar Reddy	450,038	12.68%	450,038	12.68%	450,038	12.68%
III) T Srivenkatara mana	211,001	5.94%	211,001	5.94%	211,001	5.94%

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

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

## Fourth Generation Information Systems Limited

### Notes to accounts

#### NOTE NO: 7 Reserves and Surplus

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) General Reserves:	600,000	600,000	600,000
(b) Retained earnings:			
Opening balance	(35,005,354)	(34,515,791)	(32,496,173)
(+) Net profit during the year	(239,404)	(489,563)	(2,019,618)
Closing balance	<b>(35,244,758)</b>	<b>(35,005,354)</b>	<b>(34,515,791)</b>
(c) Other Comprehensive income:	-	-	-
Total (a+b+c)	<b>(34,644,758)</b>	<b>(34,405,354)</b>	<b>(33,915,791)</b>

#### NOTE NO: 8 Short term Borrowings

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Borrowings from Related Parties	412,000	412,000	100,000
	<b>412,000</b>	<b>412,000</b>	<b>100,000</b>

#### NOTE NO: 9 Trade Payables

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises			
Sundry creditors	6,380,852	6,380,852	6,380,852
Expenses Payable	2,401,719	2,401,719	2,339,268
	<b>8,782,571</b>	<b>8,782,571</b>	<b>8,720,120</b>

The above loans are interest free loans and repayable on demand.

## Fourth Generation Information Systems Limited

### Notes to accounts

#### NOTE NO: 10 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	-	-	-
(b) Expenses Payable	99,442	-	-
(c) Security deposits from customers	-	-	-
(d) Employee Benefits Payable	-	-	-
	<b>99,442</b>	-	-

#### NOTE NO: 11 Short Term Provisions

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Other provisions	505,001	525,001	525,001
	<b>505,001</b>	<b>525,001</b>	<b>525,001</b>

#### NOTE NO: 11 Deferred Tax liabilities

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Opening Balance	454,636	454,636	454,636
Add/less changes during Period	-	-	-
	<b>454,636</b>	<b>454,636</b>	<b>454,636</b>

#### NOTE NO: 12 -

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Revenue from operations	450,099	-
	<b>450,099</b>	-

## Fourth Generation Information Systems Limited

### Notes to accounts

#### NOTE NO: 13 EMPLOYEE BENEFITS EXPENSE:

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages	94,550	25,450
(b) Contribution to provident and other funds	-	-
(c) Directors Remuneration	-	3,254
(d) Staff welfare expenses	-	-
	<b>94,550</b>	<b>28,704</b>

#### NOTE NO: 15 OTHER EXPENSES:

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Advertisement Expenditures	40,976	14,400
Bank Charges	131	62
RTA Charges	45,000	-
Listing Fees	285,000	229,377
Web designer	26,000	-
Costodian fees	-	7,799
For Audit Fees	30,000	34,500
RTA Charges	27,442	26,166
Others	24,000	-
Office Maintanance	5,450	5,700
	<b>483,999</b>	<b>318,004</b>

## Fourth Generation Information Systems Limited

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### 16. Related Party Disclosures

As per IndAs 24 the disclosure of transactions with the related parties are given below

#### a) List of Related Parties

Subsidiary Companies	NIL	
Associates Companies controlled by key management personnel / relatives who are substantially interested	NIL	
Key managerial personnel	SUDHEER KOLLAPUDI	Director
	SOMASEKHARAREDDY NALLAPA REDDY CHITTOR	Managing Director
	SRIVENKATA RAMANA TAMMISETTI	Director
	SRIVENKATA RAMANA TAMMISETTI	CFO(KMP)

#### b) Transactions with the Related Parties

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2017-18 Rs		2016-17 Rs.	
Remuneration	--	--	--	--
Sales	--	--	--	--
Purchases	--	--	--	--
Unsecured Loans	--	--	--	3,12,000



## Fourth Generation Information Systems Limited

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### c) Balance as at 31st March, 2018

Details	Associate Companies / Concerns	Key Management Personnel	Associate Companies / Concerns	Key Management Personnel
	2017-18 Rs.		2016-17 Rs.	
Remuneration	--	--	--	--
Sales	--	--	--	--
Advance for Supplies	--	4,12,000	--	4,12,000

### 17. Auditors remuneration:

Amount in Rs.

Particulars	2017-18 (Rupees)	2016-17 (Rupees)
Audit Fee	30,000	34,500
<b>Total</b>	<b>30,000</b>	<b>34,500</b>

### 18. The Board of Directors assesses the financial performance of the Company and make strategic

Decisions. The Company has only one reportable segment i.e. 'Information technology and software development' and hence no separate disclosures are required under Ind AS 108.

### 19. Earnings per share (EPS):

The details of number of Equity shares used in calculating Basic and Diluted earnings per share are set out below:

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## Fourth Generation Information Systems Limited

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Amount in Rs.

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Weighted average Equity shares for computing Basic EPS	35,50,000	35,50,000
Dilutive impact of Share Warrants	-	-
Weighted average Equity shares for computing Diluted EPS	35,50,000	35,50,000
Profit After Tax	(2,39,404)	(4,89,563)
Earnings per Share	(0.07)	(0.14)

**20. The Company has not received any information from any of the supplier of their being Micro,**

Small and medium enterprises. Hence, the amounts due to Micro, Small and Medium enterprises outstanding as on 31-03-2018 was Rs. Nil

21. Balances in respect of trade payables, various advances and trade receivables are subject to confirmation from the respective parties.

**22. First Time Ind As adoption Reconciliations**

Effect of Ind As adoption on the balance sheet as at 31st March, 2018 and 1st April, 2017:

## Fourth Generation Information Systems Limited

### 22. First Time Ind As adoption Reconciliations

Effect of Ind As adoption on the balance sheet as at 31st March, 2018 and 1st April, 2017:

Assets & Liabilities	As at 31 <sup>st</sup> March,2018			As at 1 <sup>st</sup> April, 2017		
	Previous GAAP	Effect of transition to Ind As	As per Ind As Balance sheet	Previous GAAP	Effect of transition to Ind As	As per Ind As Balance sheet
<b>Non Current assets</b>						
(a)Property, plant & equipment	10,81,451	-	10,81,451	11,92,405	-	11,92,405
(b)Intangible assets under development	-	-	-	-	-	-
( c) Financial assets						
Investments	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
(d) Deferred tax assets	-	-	-	-	-	-
Other Non Current Assets	-	-	-	-	-	-
<b>Current assets</b>						
(a)Inventories	-	-	-	-	-	-
(b)Financial assets						
(i)Trade receivables	34,09,744	-	34,09,744	34,09,744	-	34,09,744
(i)Cash and cash equivalents	14,076	-	14,076	73,084	-	73,084
(c) Other current assets	66,03,621	-	66,03,621	65,93,621	-	65,93,621
<b>TOTAL ASSETS</b>	<b>1,11,08,892</b>	<b>-</b>	<b>1,11,08,892</b>	<b>1,12,68,854</b>	<b>-</b>	<b>1,12,68,854</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
(a)Equity share capital	3,55,00,000	-	3,55,00,000	3,55,00,000	-	3,55,00,000
(b)Other Equity	(3,46,44,758)	-	(3,46,44,758)	(3,44,05,354)	-	(3,44,05,354)
<b>LIABILITIES</b>						
<b>Non Current Liabilities</b>						
Long Term Borrowings	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
<b>Current Liabilities</b>						
(a)Financial Liabilities						
(i) Borrowings	4,12,000	-	4,12,000	4,12,000	-	4,12,000
(ii) Trade Payables	87,82,571	-	87,82,571	87,82,571	-	87,82,571
(b)Other current liabilities	99,442	-	99,442	-	-	-
(c) Provisions	5,05,001	-	5,05,001	5,25,001	-	5,25,001
(d) Current tax liabilities(Net)	4,54,636	-	4,54,636	4,54,636	-	4,54,636
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,11,08,892</b>	<b>-</b>	<b>1,11,08,892</b>	<b>1,12,68,854</b>	<b>-</b>	<b>1,12,68,854</b>

## Fourth Generation Information Systems Limited

### Effect of Ind as adoption on the Statement of Profit and loss:

Amount in Rs.

Particulars	Year ended 31st March,2018		
	Previous GAAP	Effect of transition to Ind As	As per Ind As
I. Revenue from operations	4,50,099	-	4,50,099
II. Other Income	-	-	-
III. Total Income (I+II)	-	-	-
<b>EXPENSES</b>			
Cost of raw material and components consumed	-		-
Employee benefit expense	94,550	-	94,550
Depreciation and amortization	1,10,954	-	1,10,954
Expense	-		-
Finance cost	4,83,999	-	4,83,999
Other expenses	6,89,503	-	6,89,503
Total expenses (IV)	(2,39,404)	-	(2,39,404)
Profit/(loss) before tax (III-IV)			
Tax expense:			
(1) Current tax	-	-	-
(2) Deferred tax	-	-	-
Net profit for the period	(2,39,404)	-	(2,39,404)

For Chanamolu & CO.,  
Firm Registration Number : 010000S  
Chartered Accountants

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

G MURALI  
Partner  
Membership No. 234971

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

Sd/-  
T. Srivenkata Ramana  
Executive Director & CFO  
DIN: 03195303

Place : Hyderabad  
Date : 30-05-2018

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**Fourth Generation Information Systems Limited**

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**Form No. MGT-11  
Proxy form**

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

CIN : L25209AP1987PLC007550  
Name of the company : Fourth Generation Information Systems Limited  
Registered office : 1st Floor, Society Complex, MLA'S Colony, Road No.12, Banjara Hills, Hyderabad - 500034, Telangana, India.

Name of the member(s):  
Registered Address:  
E-mail Id:  
Folio No./Client Id:  
DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....  
Address: \_  
E-mail Id:  
Signature: ....., or failing him

2. Name: .....  
Address:  
E-mail Id:  
Signature: ....., or failing him

3. Name: .....  
Address:  
E-mail Id:  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 29<sup>th</sup> day of September, 2018 at 09.00 a.m. at The Regus - 1st Floor Mid Town Plaza, Road No 1, Banjara Hills, Hyderabad, Telangana India and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

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**Fourth Generation Information Systems Limited**

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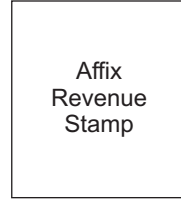
**Resolution No.**

1. Approval of financial statements for the year ended 31.03.2018.
2. Appointment of Mr. T Srivenkata Ramana as Director who retires by rotation.
3. Appointment of statutory auditors and fixation of their remuneration.
4. Re-Appointment of Mr.K.Sudheer as an Independent Non-Executive Director.
5. Re-Appointment of Mr. K.Santosh Reddy as an Independent Non-Executive Director.
6. Re-Appointment of Mr.N.Mallikarjuna Reddy as an Independent Non-Executive Director
7. Re-appointment of C. N. Somasekhara Reddy as Managing Director of the company:

Signed this ..... day of..... 2018

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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**Fourth Generation Information Systems Limited**

1st Floor, Society Complex, MLA'S Colony, Road No.12,  
Banjara Hills, Hyderabad, 500034, Telangana  
Tel: 040 – 23373949

**ATTENDANCE SLIP**

(Please present this slip at the Meeting venue)

I hereby record my presence for the 20<sup>th</sup> Annual General Meeting of the members to be held on Saturday, 29<sup>th</sup> day of September, 2018 at 9.00 a.m at The Regus - 1st Floor Mid Town Plaza, Road No 1, Banjara Hills, Hyderabad, Telangana India and at any adjourned meeting thereof.

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

Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

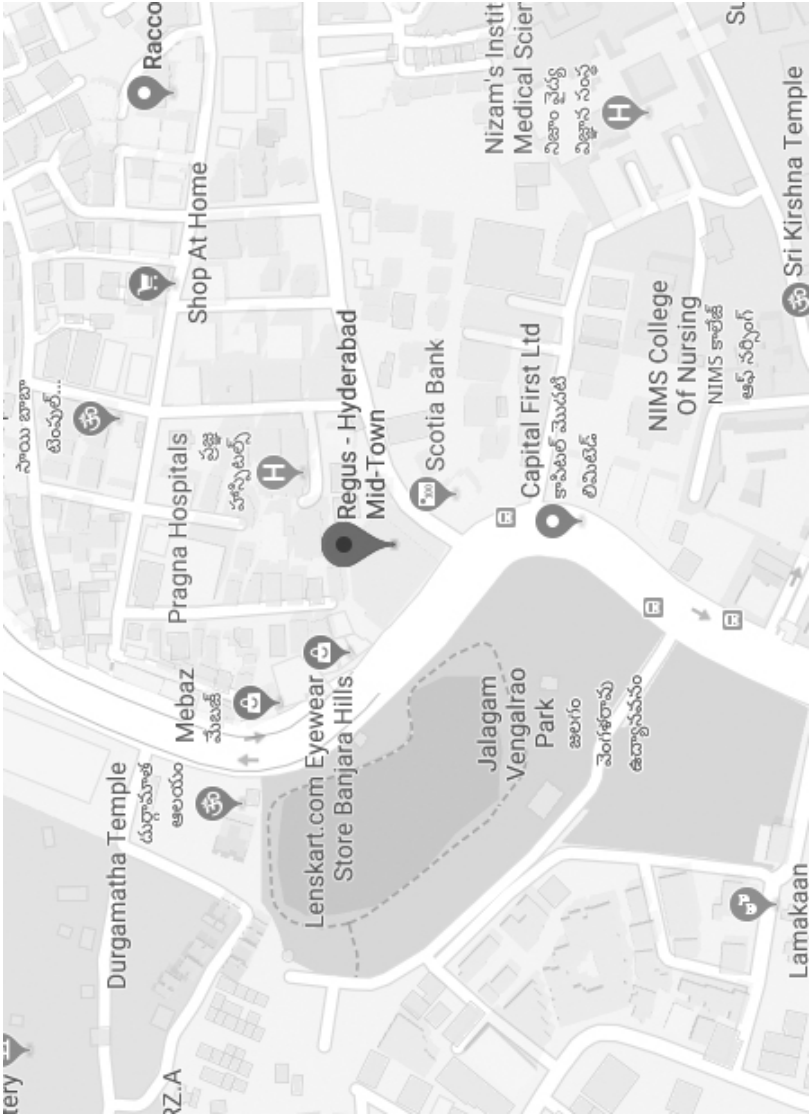
Folio No./ Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

Note:

Shareholders 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.

ROUTE MAP FOR AGM VENUE



*If Undelivered, please return to:*

**FOURTH GENERATION  
INFORMATION SYSTEMS LIMITED**

1st Floor, Society Complex, MLA'S Colony,  
Road No.12,Banjara Hills, Hyderabad-500034